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# Red Army Retreats From Empire to Face New Battles at Home

By Jim Hoagland

WASHINGTON - Nearly half a century after the Red Army drove into the heart of Europe to capture Berlin and turn the Soviet Union into a global superpower, Russia is dismanting its military machine abroad brick by brick in the most sweeping extended strategic retreat of modern times.
While President Boris N. Yeltsin was sign-

ing an arms-control agreement that codified the end of Moscow's superpower ambitions in a blaze of publicity in Washington last week, Russian soldiers were quietly contim-ing the vast movement home that is changing mind and soul of Russia as well as the global balance of power.

They move from Germany in waves, men and war machines loaded aboard ships, ferries and lumbering cargo planes in a steady

cadence set by commanders who bite back troops out of Germany is balanced by a the bitterness, humiliation and anxiety they

The Russian military seems determined to show us they can handle this problem," says a German official who monitors the army's withdrawal in minute detail. "Everything ex-

**NEWS ANALYSIS** 

cept this last bit of pride is gone for a force whose victory in Europe was the Russian people's greatest accomplishment in this century. They fight to keep that bit of pride."

The withdrawal will uproot half a million people. They will abandon the outposts of pire from Cuba to Mongolia, from Central Asia to the Baltics, by the time this retreat is

leted near the end of the century.

from the former Soviet republics that ring Russia. Suddenly, it is from the Caucasus and Central Asia, and from separatist movements within Russia itself, that the threat to Russia's survival comes.

That was the strategic reality that lay be-hind Mr. Yeltsin's decision, revealed during the Washington summit meeting last week, to give up Moscow's quest for parity with American military power and to bargain away the SS-18 multiple-warhead missiles that the Soviet military had trained on America's nuclear deterrent.

Russia's survival is not threatened by American nuclear missiles, Mr. Yeltsin acknowledged in Washington. Russia's survival is threatened by the centrifugal forces that tore the Soviet Union apart and have now

come to bear on Russia and its army. The superpower army laboriously constructed over half a century must be brought home and quickly reshaped to resist precisely these forces, which have become a hydra-headed foe feeding on separatism, burning national-

ism and, in places, Islamic fundamentalism.

That was the central assumption in a dozen interviews with Russian policymakers and analysts earlier this month in Moscow. With one exception, none cited the Pentagon or Central intelligence Agency as a pressing threat to Russian security. And none indicat-ed that they expected the bitter war of words between Ukraine and Russia to escalate into

Instead, they spoke of the dangers of the Russian Army getting drawn into the multi-ple conflicts of Georgia, Moldova, Armenia and Azerbaijan. They also cited dangers confronting the 25 million Russian civilians stranded in the former Soviet republics. Earlier interviews in Germany, Estonia and elsewhere in Europe confirmed this uneven pattern of Russian withdrawal and the explosive consequences for the rest of the world of a failed or abandoned retreat.

The Soviet military escaped the humiliation of having to flee Afghanistan in the kind of chaos that engulfed America's last days in Vietnam. But the feared scenes of Russian soldiers clinging to helicopter struts have materialized in Azerbaijan, where Russian offi-cers had to be airlifted out of Azerbaijani-Armenian battle zones after their units

The Russian soldiers trickle out of the Baltics unwillingly and spitefully in what has See RUSSIA, Page 4

# **Yeltsin Warns Moscow May** Intervene in **Ethnic Unrest** In Message to Moldova, He Says Kussia Must Act To Defend Its People

By Steven Erlanger

New York Times Service

MOSCOW — President Boris N. Yeltsin of Russia returned here Sunday from a successful week in the West to issue a warning about growing Russian impatience with fierce ethnic fighting along the southern rim of the former

ttle.

Soviet empire, Ethnic Russians and Russian troops are involved in increasingly serious fighting from Moldova, on the border with Romania, through the South Ossetia region of Georgia, in the

Mr. Yeltsin, already under attack from Russian conservatives and self-styled nationalists for his economic policies and his turn toward the West, cannot afford to allow Russian lives to remain at risk outside Russia's current borders. Nor can he allow conservatives to get

ahead of him on an issue as emotive as this one. "We want to settle all matters at the negotiat-ing table," Mr. Yeltsin said upon arriving back in Moscow. "But when dozens of people are

government, said: "In this case, we must react to defend people and stop the bloodshed. We

Moldova and South Ossetia and calling for a cease-fire. On Saturday evening, Vice President Alexander V. Rutskoi, a former colonel and a loud defender of the rights of Russians outside Russia, said, "Everyone must keep in mind that Russia will not tolerate such treatment of Rus-

chev, said in a magazine interview that "an appropriate reaction from Russia is essential when the lives of Russian civilians and soldiers were at risk. "Anyone who makes an attempt at the life of a Russian warrior must know that he'll get a tough response." General Grachev

About 25 million Russian-speakers live outside Russia, and many soldiers of the former Soviet army, now under Russian control, also remain stationed where they were when the

In South Ossetia, the Russian majority is seeking to secede from Georgia and join North

Ossetia, already part of Russia. On Sunday, Georgian troops told residents of the South Ossetian capital, Tskhinyali, to

leave their homes. Russian news agencies said that fighting was going on around the city and that nearby villages were being shelled by Georgian artillery. Late last week, Georgia's provisional leader,

with helicopter fire, while Russia said the gunships were warning Georgian tanks to stop shelling Tskininvali. On Sunday, Mr. Shevardnadze called for international observers and United Nations mediation.

industrial eastern bank of the Dniester River have formed a secessionist republic and are fighting the Moldovan majority. Fighting has See YELTSIN, Page 4

killed and when there is a war going on, we cannot remain idle, especially when it is happening on our borders." Mr. Yeltsin, directly warning the Moldovan

have the strength to do that." On Saturday, the Russian government issued strong statement appealing for calm in both

sian-speaking people any longer."

The defense minister, General Pavel Gra-

Eduard A. Shevardnadze, accused Russian troops of openly supporting the secessionists

In Moldova, Russians and Ukrainians on the

# But the choreographed movement of The Vicious Twist Of Death in Bosnia A Cycle of Ethnic Massacres

**And Revenge Spreads Fear** By John F. Burns New York Times Service SARAJEVO, Bosnia-Herzegovina — Toward dusk a week ago, a

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ing held by Serbian gunmen, halted on a mountain road north of here. The hostages, men between 17 and 63, were told that the radiator had boiled over and that they should lie face down on the floor while water was brought from a

bus carrying 56 Muslims from the village of Ahatovici, who were be-

300 revolute: stream. According to survivors, the Serbs got off the bus, walked up a hill-side, turned and opened fire with a bazooka and automatic weapons. As the dead and wounded lay in

the bus, the attackers tossed hand grenades among them, according to the survivors' accounts, which were tape-recorded in a hospital in Tuzla, 80 miles (130 kilometers) north of Sarajevo and relayed by phone to reporters in Sarajevo. Of the 56 hostages, all but 9 were said to have been killed. According to a list provided by the Bosnian Bureau of War Crimes, and confirmed by relatives of the survivors. 13 of the men came from a single

family named Mujkic, including Eldin Mujkic, who was 17. The raid was one of a growing **iser of such attacks acro** former Yugoslav republic, which has declared its independence. Some have compared the atrocities to the murder of civilians by the

Nezis in occupied Europe. During World War II, when Bosma-Herzegovina was part of the facist pupper state of Croatia, it became a killing ground. Hundreds of thousands of victims, including Serbs, Croats, Muslims and Jews,

were killed or taken to concentra-Witnesses and human rights groups say the atrocities now are mainly the work of Serbian nationalist groups. They include rape and other abuse of women, the cutting

WASHINGTON (IHT) -

of captives' throats and the herding of scores of people into barns, houses and other buildings that are then set afire. In the village of Vraniak. Muslim children were said to have been stabbed and

nailed to trees. The scale of the attacks is far smaller than in World War II, but it has affected cities, towns and villages in all parts of the republic. Combined with Serbian offensives against Sarajevo and other

raised to more than 20,000 the

number of people estimated by

towns, the killings have

Heavy shooting in Sarajevo bars effort to open the airport. Page 4.

Bosnian relief organizations to have died in about 10 weeks of fighting. Thousands are missing. For the moment, the estimate is little more than guesswork, based on a tripling of the 7,000 people who have been confirmed dead in lists kept by hospitals, morgues and emment control.

Roughly, the government forces and their allies in an ethnic Croatism force known as the Croatism Defense Council control about one-third of the republic. The rest is in the hands of Serbian irrego

As was the case with Nazi atrocities, many of which were not chronicled in detail until after World War II, the killings across Bosnia-Herzegovina have been difficult to verify. About 80 percent of the republic is at war.

Particularly in areas controlled by the Serbian nationalists, armed groups have routinely barred reporters and representatives of relief

organizations. On numerous occasions, some witnessed by Western reporters, the Serbs have opened fire on am-See BOSNIA, Page 4



A Moldovan soldier running back from the front line in Bendery on Sunday. Separatist troops were reported to have regained control of most of the town.

# Behind South African Violence, a Deeper Rage

By Bill Keller New York Times Service

JOHANNESBURG — Among the bitter placerds that greeted President Frederik W. de Klerk on his visit to the Boinatong massacre site on Saturday was one that bypassed the anger of the moment to tap a deeper rage.

Danbed in white paint on a scrap of plastic and waved aloft by a young township man, it read: "White Man Is Satan."

Mr. de Klerk probably did not see it before he was hounded from the township by an indignant mob, but the poster was a reminder of passions that have been wishfully swept to the periphery of world attention in South Africa's rush

toward respectability.

Now the dark absolutes are clamoring back into view, threatening to wrench the country from the course of well-meaning

**NEWS ANALYSIS** 

compromise that seemed to govern its destiny just a few weeks ago.
Politicians who until mid-May had labored close to a compromise on transition to a nonracial state now talk as if they are just as close to calling the whole

Nelson Mandela, whose African National Congress is the most popular representative of black interests, told cheering followers in the southern Transvaal on Sunday that his executive committee would meet on Tuesday to consider withdrawing from multilateral talks.

"I can no longer explain to our people why we continue to talk to a government which is murdering our people," he said at a rally in Evaton, near the massacre site. "The negotiations process is comoletely in tatters."

Mr. Mandela also said his organization was breaking off a secondary set of talks with the government, dealing with

such issues as political prisoners. For his part, Mr. de Klerk, after fleeing his public-relations exercise in Boipa-

"We will not hand over the country into a state of chaos," Mr. de Klerk vowed. "We may have to look beyond the present measures to maintain law

tong hinted of a return to the national

state of emergency that was lifted two years ago in one of his first of concilia-

Both Mr. Mandela and Mr. de Klerk have staked their reputations on the vision of a negotiated transfer of power, and it seemed likely they would seek a way back to the table sooner or later. But the more ominous question re-

See MANDELA, Page 6

### Kiosk **Baker Cheers** Russia Accord

Secretary of State James A. Baker 3d hailed the latest U.S.-Russia arms accord on Simday as "the most signifieant arms reduction agreement ever negotiated" and said President Boris N. Yeltsin could deliver parliamentary

MONDAY Q&A



Lord Wilson, the departing governor of Hong Kong, takes a look beyond 1997.

Crossword

European Soccer mplonship Sunday's Play Germany 3, Sweden 2

Sports, Page 17



# For Perot, Years Of Digging on Bush

By Bob Woodward and John Mintz Washington Post Service

WASHINGTON - Ross Perot could no longer contain his anger. After months of dickering with then-Vice President George Bush over a plan that Mr. Perot thought would provide information about American servicemen still missing from the Vietnam War, he concluded that Mr. Bush had let him down.

"This world is full of lions and tigers and rabbits," Mr. Perot later said he told Mr. Bush. "And you're As Mr. Perot has recounted it to

others, the 1986 conversation marked the end of his hope that Mr. Bush would aggressively assist Mr. Perot's crusade to find evidence of Americans missing in action being held in Southeast Asia. It also marked the beginning of a new Perot effort, to find evidence that would demonstrate Mr. Bush was what Mr. Perot believed him to be: weak, indecisive and perhaps

In the next year, Mr. Perot launched what would become a series of investigations, continuing until recent months, in pursuit of information that might uncover improper conduct by Mr. Bush:

● In 1987, Mr. Perot and Tom Luce, his longtime attorney and current presidential campaign chairman, paid \$10,000 to a Washington law firm to look into a \$48 million tax deduction obtained by Pennzuil, a company led by J. Hugh Liedtke, Mr. Bush's Texas oil partner in the 1950s. The results of their efforts to uncover what Mr. Perot described as a "mini-Teapot Dome" scandal, perhaps involving Mr. Bush, would eventually fill two three-inch black vinyl binders.

● Also in 1987, Mr. Perot and Mr. Luce gathered public documents on two separate \$50,000 investments that Mr. Bush made in the late 1970s, Mr. Luce called one of the investments, an apartment complex near Houston, a "really

See PEROT, Page 4



THE POWER FACTION — An Israeli Orthodox Jew walking Sunday past an election appeal from Rabbi Yitzhak Peretz of the United Torah Party, one of a group of religious parties that may play a decisive role in elections on Tuesday. Even experts hesitate to guess at the outcome between the governing Likud bloc and the Labor Party. Polis suggest an election statemate and a coalition.

# Good-Bye Wall Street, Hello Prague (Or: Let's Make a Deal)

By Roger Cohen New York Times Service

PRAGUE - "O.K. you ex-Commies, let's rock and

The voice of Axl Rose of the Guns 'n' Roses rock band boomed across the huge Spartakiadni Stadium, built to display the prowess of Communist athletes but now holding a hirsute mass of newly capitalist youths

apparently intent on recreating Woodstock.
Strobes flashed, fireworks flared, videos rolled. The jeans-clad crowd seemed suitably wowed. But a small group of neatly coiffed gentlemen displayed a certain emui. Former Wall Streeters, they plainly found it awkward to rock and roll. This is a deal junkie's heaven."

hattan or Connecticut, abandoned the likes of Dean Witter in midcareer and given yourself to a lonely

For Russia, a proposal to form a Western corps of experts to provide hands-on aid. Page 6.

existence devoted to the transformation of a Communist state into a market economy? "We play tennis and we've started a basketball S. Douglas, a former director at Prudential Bache. a fair price.

Spurred by a mixture of midlife crises, vague idealism and simple curiosity - have dumped Wall Street and the Hamptons for Prague and a one-room home at the

Paid by the United States government, they have since September been Czechoslovakia's deal makers. Their goal: to find buyers for the thousands of companies the nation is selling as it hurries toward capitalgroup, but mainly it's work, work, work, "said Thomas ism, to expedite deals while insuring that the state gets

"Having worked 20 years on Wall Street, I asked

What else to do on a spring night in Prague when Mr. Douglas, 43, is one of a 15-member group of myself whether I could go to my grave having done you have left your wife and children behind in Man-American bankers and financiers who have formed just one thing or, having hit 40, should I try something the Crimson Capital Corp. (Yes, echoes of Harvard.) else?" said Alistair Keith, 45, a former partner at Brown Brothers Harriman. "And the thing that decided me when I came here was that, amid a total shambles, there was this incredible enthusiasm coming from actually helping to transform a country."

The relationship between the Czechoslovak government and Crimson is singular in Eastern Europe; nowhere else have Americans managed to reach a position of such decisive influence in the conversion of an economy. Whether there will eventually be a back-

See CAPITAL, Page 13

# Fare Break For Travel In Europe

By Charles Goldsmith International Herold Tribune Community's plan to liberalize air travel, expected to be adopted on Monday, will offer lower prices and a wider choice of routes to consumers accustomed to restrictive na-

Airlines will for the first time be able to carry passengers between two points in another EC country, while governments will no longer be able to veto reduced fares or fence out new competitors through arbitrary licensing rules. "The legislation is definitely a

diplomat involved in the negotiations leading to the meeting on Monday of EC transport ministers in Luxembourg. Although some restrictions will remain in place for several years after the new roles take effect on Jan. 1, the limitations will seem like

consumer's delight," said an EC

used to rough prices and meager choice in European air travel.

The EC ministers are to approve the comprehensive package of measures designed to ensure free competition in air travel as part of the Community's post-1992 single

minor turbulence to passengers

market program. Airlines will be free to set their own fares through abolition of the Community's current "double disapproval" system, in which a carrier could not introduce a new fare for a route between two EC countries if the governments on both ends objected. Business-class fares on heavily protected routes, like Brussels-London or Paris-Madrid are expected to be reduced most.

A uniform licensing system will See AIRLINES, Page 2

Troops have violently crushed periodic

pro-independence demonstrations in the

China almost never allows Western jour-

nalists to visit Tibet, and in a sign of

nervousness it recently refused to admit

By Nicholas D. Kristof New York Times Service

BELJING --- Pro-independence protests in Tibet have multiplied in the last few months, despite harsh repression, and for the first time there are reliable reports of significant unrest in the Tibetan country-side.

Demonstrations against Chinese rule have periodically occurred in the last five years in the Tibetan capital, Lhasa, and occasionally in other large cities. But now take part in demonstrations. There has for compiling lists of detainees. the protests seem to be more frequent in Lhasa and are spreading to remote areas and isolated monasteries not previously involved in political activities.

"We're not seeing explosions, but a bubbling over a much wider area than before," said Robert Barnett, the coordinator of the Tibet Information Network, an independent London-based monitoring group.

Lord Wilson has been governor of Hong

Kong since 1987. Early next month, he will be

succeeded by Chris Patten, former British Con-

servative Party chairman. In one of his last

interviews in office, he spoke with John Vinocur

Q. What will Hong Kong be like 10 years from

A. I don't have a crystal ball, but I will describe

what I hope Hong Kong will be 10 years from now.

That is the powerhouse, particularly in the service

sector, of the rapid economic development of

MONDAY O&A

southern China. We can see that going on at the

moment and in my judgment it is going to go on

Q. You did not say a shining pole of democratic

A. I answered the question as I thought it would

come out as most significant. You want me to say

it's going to be a shining example of a democratic

way of life. I would say, it is going to be a shining example of the success of the capitalist economic

system. We are not, in terms of political develop-

ment, the same as North America or Western

Q. But evolution doesn't occur if there is some-

A. The answer is yes. That is already laid down

one to say stop. Will Hong Kong continue its political evolution after 1997?

in the Chinese Basic Law for what happens after

Q. In a recent report, the International Commis-

sion of Jurists condemned Britain for denying

Hong Kong people their right of self-determina-

tion and concluded that the Basic Law is undemo-

A. I sometimes wonder if the people who write

some of the commentaries on Hong Kong live in

the real world. It has never been an option of Hong

Kong to have independence. It has not been a

demand from anyone that I am aware of, because

Hong Kong is a very realistic society. That is one of

its immense strengths. If one sits down and looks

realistically at the situation that existed from 1982

to 1984, during the negotiations about the future,

any serious-minded person would see that trying to

achieve the continuity of the key areas of Hong

Kong was what was really crucial. Independence

simply was not an option. It was not a demand.

What was necessary was to try to make sure that

by Beijing's interference in Hong Kong's affairs?

Q. But hasn't the Joint Declaration been croded

A. I don't think any of those assurances have

been eroded. Now I don't want to suggest that our

SEOUL — President Boris N. ports said Sunday.

reveal the findings of a new investi-gation into the 1983 downing of a South Korean jetliner when he vis-to clarify the circumstances in

Yeltsin of Russia is expected to

cratic. What is your defense?

Europe. We are an evolving political system.

well into the next century.

and Laurence Zuckerman of the IHT.

He said that since the beginning of this Scholars and diplomats generally believe Austrian delegation to postpone their trip in exile and is bitterly critical of Chinese year the authorities had made at least 69 that sentiment for independence is wideto Tibet, even though they were personally rule. arrests of monks and others in county spread, especially in the cities. towns, villages and remote monasteries. Those arrested were apparently accused of pro-independence activities like putting up last five years. Human-rights groups, in-illegal posters.

In addition, he said, at least six monks. Watch, say torture is common and punishand nuns from small monasteries with no ments harsh. A teacher is serving a fivebeen a flurry of small protests in Lhasa recently, with at least five demonstrations in May alone.

China maintains that Tibet has been an inseparable part of its territory since the authorities denied visas to two Ameri-13th century, but Tibetans note that the can senators, Claiborne Pell, Democrat of region was in effect independent in the Rhode Island, and David L. Boren, Demodecades before the Chinese invasion in crat of Oklahoma

come out of it well.

the last five years. But what I would suggest is that we faced up to each problem and dealt with it as

best we could in a very pragmatic way, and we have

Q. Forced repatriation of Vietnamese boat peo-

ple has begun once again. Isn't that a great risk to

Hong Kong?

A. Hong Kong ought to look back with a degree

of pride on the way in which it has dealt with the Vietnamese boat people problem. These people want to go to the United States. Because of the

American policy, they will never get to the United

States. No one in Hong Kong wants to keep people

in camps. This is a society which is based on freedom for the individual. We have been forced

into a situation where we have had to do so. We

have done it well and we are now trying to put in place arrangements for returning to Vietnam, to

breakthrough with the announcement of the mem-

orandum of understanding between Britain and

China over the building of the new airport. Now

there is going to be another meeting to settle

differences over the airport. Why is this necessary?

A. First of all, the memorandum of understanding was a great achievement. It has led to an

immense boost in business confidence. Because

certain financial arrangements stretch over 1997,

they need to be discussed with the Chinese. Since

we haven't yet resolved all the issues in the airport

committee, it makes sense to try to raise the level

and have a meeting of personal emissaries from the

Q. China agreed to respond within a month to proposals concerning the financing of the airport.

It's been almost three months since the documents

were handed over to China. Is that a violation of

A. No, it is not. The month thing is on specific

issues like a franchise. It is quite understandable, I

think, that with all the complex financial arrangements for the airport that the Chinese would take

Q. Do you think Hong Kong's political evolu-tion will prevent the kind of middle-class uprising

that happened in Thailand from happening here?

pened in Thailand is likely to happen in Hong

Kong. I hope that the administration after 1997

will be as sensitive to the wishes of the population

as we have tried to be. It is an interesting point,

isn't it, that when you are a nonelected govern-

ment, which is what we are, you have to pay very

let's say in the American system, is that if you get it

badly wrong you're voted out. If you can't be voted

out, the sanctions are far more drastic. You finish

Soviet jet fighter over the north-

eastern island of Sakhalin, killing

Moscow had claimed that the

plane was on a spy mission for

Washington when it was shot down

after straying into Soviet airspace. Mr. Yeltsin promised last week to reveal full details of the incident,

which was minimized when South

Korea and the former Soviet Union

established diplomatic ties in 1990.

During a visit to Moscow, For-

eign Minister Lee Sang Ock will bring the matter to the surface once

more, Yonhap news agency said. Mr. Lee will ask that the incident

be mentioned in a bilateral friend-

ship agreement to be signed by Mr.

Yeltsin and his South Korean

counterpart, President Roh Tae

Woo, during the Mr. Yeltsin visit

here from Sept. 16 to 18, Yonhap

all 269 people aboard.

up with riots on the street.

its Seoul in September, press re- which the 747 was shot down by a

Yeltsin May Reveal Data on KAL Downing

The Korea Times quoted govern-

A. I see absolutely no evidence that what hap-

two prime ministers.

their own homes, people who are not refugees. Q. Last year at this time there was a major

'A Very Realistic Society'

Hong Kong's Outgoing Governor Looks Beyond '97

some other visitors as well. In early April,

to Tibet, even though they were personally rule. invited in January by Prime Minister Li

A Chinese who recently visited Lhasa said that the atmosphere did not seem particularly tense, but that on May 18 the The demonstration in Shigatse was orgapolice beat up 12 to 15 monks who had nized by monks who asserted that they shouted independence slogans outside the would choose a new Panchen Lama only Jokhang Temple there. The police then arrested a few of the monks, but the main ing it more difficult for China to influence goal was to beat up the monks in public to the process and encourage the selection of deter others, the Chinese said.

Another incident certain to worry the authorities is a protest reported in May at the Washington-based International Camthe main monastery in the city of Shigatse, paign for Tibet, said he, too, had reports of where monks are examining several babies who are candidates to be declared the 11th incarnation of the Panchen Lama. The taking advantage of recent official calls for rat of Oklahoma. Panchen Lama is the most important fig-more openness to press their demands for ure in Tibet after the Dalai Lama, who lives independence.

The 10th Panchen Lama died early in 1989, and since then the search for the boy chosen as the next incarnation has been laced with secrecy and occasional intrigue. with the approval of the Dalai Lama, maka boy with ties to pro-Chinese Tibetans.

Jigme Ngagpo, the political analyst of paign for Tibet, said he, too, had reports of growing unrest in both Lhasa and the countryside. He said Tibetans might be independence.

# WORLD BRIEFS

- Jon Tax

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### Israel Withdraws Threat to Arrest Palestinians Who Met With Arafat JERUSALEM (Reuters) - Israel backed down on Sunday from its

threat to arrest a group of Palestinians who had in Jordan with Yassar Arafat, the head of the Palestine Liberation Organization. Aratat, the nead of the ratesume Liberation Organization.

A police spokeswoman, Tami Paul-Cohen, said they would be questioned on their return from Jordan, but added, "They won't be arrested," She left open an option the police might take legal steps later, saying

They will be investigated,"

A Palestinian spokeswoman, Hanan Ashrawi, speaking in Amman
where she and other PLO leaders met with Mr. Arafat on Thursday, said she hoped the softening of Israel's arrest threat meant it was recon

ing its ban on all contacts with the PLO. The Israeli newspaper Ha'aretz reported that the United States had urged Israel to respond in the case with restraint to avoid wrecking Arab.

# Iran Paper Warns of New Hostages

TEHRAN (AFP) - An influential Tehran newspaper warned Sunday that pro-Iranian forces in Lebanon might seize more Western hostages if the simution in the Middle East remained unchanged.

The Tehran Times said, "If the legitimate rights of the Palestinian people are not officially recognized, if Israel commues its aggressions on other countries in the region, if the West blindfoldedly and unconditionally supports such aggressions, the German hostages undoubtedly will not be the last batch of Western hostages held by Lebanese groups."

The English-language daily was referring to the release Wednesday of two German aid workers, Thomas Kemptner and Heinrich Stribig, the last Western hostages in Lebanon. The paper stressed that three Iranian diplomats and their driver were still missing in Lebanon, and that Israel was holding hundreds of Lebanese and Palestinians.

### Honecker May Ask Asylum in Russia

BONN (Reuters) - Erich Honecker, the former East German leader, will apply soon to Russia for asylum, according to Kurier am Sonniag. The newspaper quoted his advisers as saying that Mr. Honecker knew the details of an indictment against him and that his lawyers hoped to prove that he would be involved in a political trial, fulfilling a basic precondition for an asylum request.

Germany issued an arrest warrant for Mr. Honecker in 1990 on manslaughter charges relating to shoot-to-kill orders to former East German border guards. He is held responsible for the deaths of East Germans fleeing to the West.

The hard-line Communist leader, toppled in 1989, fled in March 1991 to Moscow, where he remains at the Chilean Embassy. Germany has repeatedly demanded his return, but Russian authorities have said they cannot arrest him. If his asylum application is rejected, the newspaper said, Mr. Honecker intends to appeal to a Russian court, a process that

13 Lost as Ship Sinks Off Malaysia
PORT KLANG, Malaysia (Reuters) — A chemical-carrying tankerwas sinking off Port Klang on Sunday after explosions and a fire left. 13 people dead or missing rescue officials said. "The ship is half sub-merged," an official said.

Fire lighters and port workers were spraying foam to contain the spills, which were endangering a nearby village. Rescuers have feared that 400 tons of xylene, a highly fiammable and toxic petrochemical, could be discharged into the river mouth.

Seven Indonesians, a Singaporean and five Malaysians were dead or 3



Prince Norodom Sihanouk, left, with the Khmer Rouge's Khieu Samphan in Tokyo before the talks.

# Their Role in Talks Unclear, Khmer Rouge Arrive in Tokyo

By David E. Sanger New York Times Service

TOKYO - Prince Norodom Sihanouk and leaders of the factions controlling Cambodia under Unit- sides of the dispute. ed Nations supervision met in private sessions Sunday, as a confer ence on reconstructing was overshadowed by fears that the Khmer Rouge's refusal to disarm could shatter the process aimed at ending a generation of war.

When the conference's main session begins on Monday, Japan, the United States and other architects of the Paris peace accord last year are expected to pledge aid to rebuild the country, with Tokyo rumored to be offering from \$150 million to \$200 million. The UN secretary-general, Butros Butros Ghali has said \$600 million is needed for the first stage of rebuilding the country's infrastruc-

But some of the aid is likely to be contingent on the successful completion of the second phase of the peace accord, in which all four fac-tions in the Cambodian civil war place their soldiers under UN su-

pervision and begin to disarm. So far the Khmer Rouge, the Maoist-inspired rebels who killed more than a million Cambodians when they controlled the country in the 1970s, have refused to enter the UN camps. They insist they will not abide by the peace treaty, of which they are a signatory, until they receive guarantees that Viet-

nam has pulled all of its troops out of Cambodia. Vietnam ousted the Khmer Rouge in 1979 and installed the current government of Prime Minister Hun Sen, but says that its troops left the country in 1989. Most diplomats in Cambodia agree that there is no trace of the Viet-

For the Japanese, the conference comes at a critical time. Last week

new law are likely to go to Cambo- Rouge strongholds in which repeatdia But the Japanese also want to ed violations of the cease-fire show that they are taking a lead in the humanitarian and diplomatic

One of the critical questions how much pressure Japan, the United States and the leader of the UN peacekeeping operation, Yasu-shi Akashi, will publicly place on the Khmer Rouge to relent. Late Saturday two leaders of the Khmer Rouge, Khieu Samphan and Sonn Sen, who had earlier vowed to boycott the talks, arrived in Tokyo. It was not clear whether they would participate in formal talks on Monday, but Japanese officials said Sunday night that Mr. Khieu Sam-phan had been persuaded to join

Before the conference began, Mr. Akashi spoke in harsh terms about the Kinner Rouge, saying time was "very much running out." Last week he approved some limit- them even if they fail to enter the ed military actions against Khmer special UN-supervised camps.

(Continued from page 1)

agreement have occurred.

But here in Tokyo, the conferand representatives of 32 nations from harshly criticizing the Khmer Rouge. They suspect that the failure to disarm is a Khmer Rouge bluff, intended to win new conces-

"The fact that the Khmer Rouge felt it was necessary to come to Tokyo rather than boycott this conference is a sign that they are fearful of being cut out," a Japanese diplomat said over the weekend. They don't have the kind of power they once did."

At the same time, Japanese and U.S. officials said that if the Khmer Rouge refused to implement the second phase of the accord, UN forces may be authorized to disarm

### Farmers Set to Block Access to Paris

TRAVEL UPDATE

PARIS (AFP) - French farmers, angry at changes in the European Community's common agricultural policy, plan to throw up a blockade around Paris on Monday night.

Tractors and trucks would be used to cut off access to the capital within

a radius of about 50 kilometers (30 miles), organizers said. Access to Orly and Charles de Gaulle airports from Paris is not expected to be affected. Amtrak, facing a possible strike this week, is canceling or shortening operation of most long-distance trains; the cutbacks will be rescinded if a settlement is reached before a strike deadline midnight Tuesday. (AP)

Japan denied entry to a total 27,137 foreigners from 85 countries last year, an all-time high and nearly double the number for the previous year, ence's Japanese hosts have said the Justice Ministry said Sunday. Most were refused entry because they they will try to dissuade Mr. Akashi were suspected of being potential illegal workers on tourist visas. (AFP)

z irom abroad will be able to leave the country again without going through exit formalities if they have valid passports and visas for another country. The Xinhua news agency said the new. simplified rules will take effect July 1.

### This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Colombia, Venezuela. TUESDAY: Luxembourg. WEDNESDAY: Andorra, Macao, Venezuela, Zaire. THURSDAY: Mozembique.

FRIDAY: Madagascar, Somelia. SATURDAY: Diboun

Sources: J.P. Morgan, Reuters.

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the country finally passed a bill that will allow it, under limited conditions, to join UN peacekeeping forces. The first Japanese troops to be deployed under the

ing a new airline, some analysts expect existing carriers initially to set up new "hubs" in other EC countries, perhaps through partial acquisitions, such as Air France's recent 37.5 percent stake in Sabena.
Airlines will also be allowed to carry passengers between two cities in another EC country through a privilege known as "cabotage." Officials say this will ensure competi-

tive routes."

ry and request access on the respec-

Because of the cost of establish-

The cabotage provision has proved to be the most contentious element, because larger countries with attractive domestic markets have resisted the EC Commission's initial proposal to allow full cabotage rights beginning Jan. 1, 1993. As a result, there will be a transition period in which only "consecutive cabotage" will be allowed, so an airline can pick up passengers in another EC member state only if the flight originated in the carrier's home country. For example, KLM Royal Dutch Airlines could fly from Amsterdam to Paris, then

tion on domestic routes now served

only by a single national flag carri-

pick up passengers in Paris before continuing to Nice. Full cabotage would allow KLM

**AIRLINES:** Rules to Ease in EC originating its flight in the Nether-

allow an airline meeting capital and safety requirements to be estab-lished anywhere in the Community "Consecutive cabotage will give airlines more rights than they have providing it is at least 50-percentnow," said Paolo Pezzini, an airline owned by EC citizens, so governanalyst at SRI International in ments could not use discriminatory London. "But it's a liberalization licensing to prevent free competiand not really an internal deregula-"This will drastically change the European aviation scene," said

In addition, officials say that the final agreement reached by ministers will most likely restrict consec-Karl-Heinz Neumeister, secretarygeneral of the 23-member Associautive cabotage rights to a portion of tion of European Airlines. "It an aircraft's capacity, perhaps 50 percent initially. would mean that any EC individual or consortium could establish an Italy has also been pushing for airline in any part of the EC territo-

limits on the number of routes subject to consecutive cabotage, while France wants the right to grant route favoritism to its national carriers, Air France and Air Inter, during the transition period.
The final negotiations on Mon-

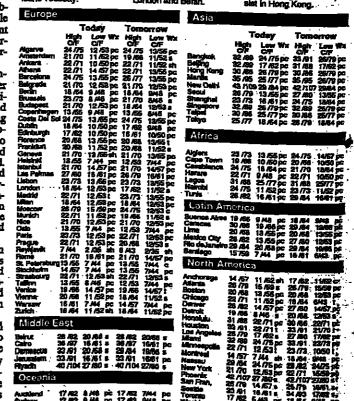
day will involve a trade-off over how long we have a transition period to complete deregulation, and how restrictive the rules are during the transition period," said a diplomat from Britain, which seeks no transition at all. France, Italy and Spain are seeking a six-year period.

At the end of a transition period to a true single market for air travel, the logical next step is negotiations for cabouage rights between the Community and other large

markets, particularly the United "The key problem the European airlines face in North America is still the question of collecting and distributing passengers," Mr. Pez-zini said. "European airlines would like two bites at the U.S. market on the same flight."

Sabena, for example, abandoned its direct service from Brussels to Atlanta, via Boston, because the Boston-Atlanta leg was largely empty after most passengers disembarked in Boston. Because there are no cabotage rights, Sabena was prohibited from carrying passento fly the Paris-Nice route without gers only from Boston to Atlanta.





المحالاتمانات

# Clinton Tax Plan Aims at Rich Manifesto Outlines \$300 Billion in Savings

LITTLE ROCK, Arkansas -Bili Clinton called Sunday for substantially higher taxes on the rich, to finance a "putting people first" economic and social agenda of expanded education and job training programs, radically altered welfare

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and more affordable health care. In a manifesto for the campaign, Mr. Clinton also dropped the 10 percent middle-income tax cut proposal he had advocated strongly during the winter months. In its place is a proposal for middle-class taxpayers to choose between an increased tax credit based on the number of children they have, and a "significant reduction" in taxes.

The Clinton campaign did not immediately furnish details of how the middle-class tax relief would come about.

In all, he outlined roughly \$300 billion in savings to help reduce the deficit, not counting savings from health care reform. Slightly more than half would come from tax increases on the wealthy and corporations, and slightly less than half from spending cuts.

Mr. Clinton also outlined several measures to end what he called "an extended hunting season for highpriced lobbyists and Washington

### Jackson Jabs Clinton Anew. Lauding Perot

ernational Herald Tribion WASHINGTON - The Reverend Jesse Jackson continned his foud with Governor Bill Clinton on Sunday, refusing to say whether he would endorse the Democratic presidential nominee this autumn and refusing to rule out an endorsement of the independent Ross PeroL

Appearing on a CBS news program, Mr. Jackson repeat-ed his assertion that Mr. Clinton had crafted a "ploy" to get a "cheap headline" last week in criticizing a black rap sing-er's anti-white comments. That's what agonizes me so

much," Mr. Jackson, the nation's dominant black political figure, said as he avoided directly saying whether he would endorse Mr. Clinton. "As we reached out, Bill Clinton pushed off."

Asked whether he might endorse Mr. Perot, Mr. Jackson said he intended to take his political agenda to Mr. Perot as he had done with Mr. Clinton, in hopes of sparking a debate on economic issues. He applanded the Texan's discussons last week with community leaders in Los Angeles.

infinence peddlers." Among them relative, and said he would use the was legislation to end the current Internal Revenue Service to collect tax exemption for "special interest child support from delinquent fa-

lobbying expenses."
He timed the release of his proposal to coincide with his appearance Sunday night at a town-hall meeting in Atlanta and his trip to Houston on Monday for the convention of the U.S. Conference of

Mr. Clinton said he would reduce the federal budget deficit by half within four years through \$360 billion in spending cuts, taxing profits that foreign companies earn in the United States, implementing health-care reform and raising taxes on the rich,

The biggest tax increase would fall on the wealthiest 2 percent of wage carners. In all, their taxes would rise by \$17.8 billion next year through higher tax rates, a minimum tax and a millionaires' surtax. Those earning more than \$125,000 would also face higher Medicare costs.

He proposed using the money to create jobs in the communications, transportation and environmental sectors of the economy. He also proposed urban enterprise zones and other steps to revitalize urban

Other steps he outlined: On welfare, Mr. Clinton called for a two-year program to offer welfare recipients education, training and child care, "After that, those who can work will have to go to work, either by taking a job in the private sector, or through community service." He also renewed his call for legislation granting workers 12 weeks of unpaid leave tighten restrictions on lobby to care for a new child or a sick former government officials.

On education, he renewed his call for greater funding for Head Start and other early childhood education programs, and for parents to choose the public schools their children attend. He also included his earlier proposal for federally funded education loans, to be repaid by the recipient, whether through community service or re-

• His health-care recommendations included caps on rising costs, and phased-in universal coverage. \*Companies will be required to insure their employees, with federal assistance in the early years." He also called for punishing drug com-panies that raise prices faster than ocome goes up, and for insurance industry reforms • The spending cuts total \$140

billion over four years, and \$26 billion for next year. They include a call for a line-item veto authority highly unpopular among Democrats in Congress — that he said he would use to cut nearly \$4 billion in wasteful spending next year. De-fense and intelligence spending would be cut by \$11 billion, in part through various reforms. Tax increases would total \$155 billion over four years, nearly two-thirds of them borne by wealthy Ameri-

 A so-called "revolution in government" would eliminate 100,000 federal jobs through attrition, bring about campaign finance reform, end the tax break for lobbyists and



righten restrictions on lobbying by former government officials.

RUNNING WITH THE CROWD — President George Bush talking with a fan, part of a group that gathered around as he tried to get in some jogging along the beach at Corona Del Mar, California.

# More U.S. Kids at Work, and in Worse Conditions

By Gina Kolata New York Times Service

NEW YORK — After nearly disappearing from American life, child labor has reemerged and proliferated in the last decade. Even the recession does not seem to have stemmed the tide, and investigators say many of the children are working in danger-

Federal statistics indicate that at least 4 million children aged 14 to 18 are legally employed. But an estimated 2 million other children work illegally, either because busi-nesses or family members pay them in cash to avoid taxes and minimum wages, or, more ominously, because they work too many hours, late hours, at hazardous jobs, or are under 14 and thus too young to be working at all except on farms.

No one knows exactly how many children work illegally. But evidence from the Labor Department's strike force, from the General Accounting Office and from states' investirants, on construction sites and in mines, sawmills and gas stations.

On the job, they suffer amoutations, burns, deep cuts and electrocutions. At least several hundred a year are killed, according to investigators at the National Institute for Occupational Safety and Health, Other children work late on school nights, in violation of state and federal laws, and sometimes fall leep in class. Jeffrey Newman, executive director of the

National Child Labor Committee, a non-profit organization founded in 1904, said be is seeing a return of child labor scandals niniscent of those that occurred at the turn of the century.

"I see the same kind of exploitation that occurred then, in sweatshops, in the fields, in unscrupulous business practices that occur behind closed doors," he said. "It's very sad and it doesn't speak well to our understanding and commitment to children."

Dr. Philip J. Landrigan, chairman of the Department of Community Medicine at Mount Sinai Medical Center in New York, gations and emergency-room records sug-gests that children work illegally in the fields, in the garment industry, in fast-food restan-child labor to three factors: organized a recent conference on child labor.

• More and more families slipped into poverty in the 1980s and early '90s, and

needed income from their children's work. • The number of immigrants increased sharply, with people often coming from countries in which child labor is routine, providing a pool of people ripe for exploita-

 State and federal governments cut their budgets for inspecting workplaces, which made the discovery of violations less likely. Mr. Newman and others stressed that a major factor in the increase in child labor has been lax enforcement of state and federal

Federal laws prohibit children under age 16 from working during school hours and limit the number of hours they can work after school and on weekends.

Some jobs, such as mining, logging and roofing, are prohibited for anyone under age 18. In agriculture, restrictions are less stringent; hazardous work is barred until age 16. William Halperin, associate director for

surveillance at the National Institute for Occupational Safety and Health, called the

magnitude of illegal child labor "astound-

He called the statistics gathered so far "the tip of an iceberg," because there is no sys-tematic data collection and because many injuries and deaths are not reported.

One problem is simply discovering violaors, given the relatively few inspectors the federal government employs for that par-

According Dr. Landrigan, the Occupa-tional Safety and Health Administration has 2,000 inspectors, and the Labor Department has 1,000 wage-and-hour workers, who are responsible for detecting illegal child labor as well as violations involving adults.

Jay Mazur, president of the International Ladies' Garment Workers Union, said that the safety and bealth administration had so few inspectors that 84 years would be needed to get around to inspecting all the work-places for which it is responsible. It would take 25 years to visit every high-hazard workplace for a surprise inspection.

With such inadequate resources, he said, "we are fighting, to put it mildly, an uphill

# Hope Fades in U.S. For Successful Plan To Depose Saddam

By Caryle Murphy and R. Jeffrey Smith Washington Post Service

WASHINĞTON — The Bush it has no suitable plan to overthrow President Saddam Hussein in Iraq, whose power appears stronger nov than it was 16 months ago after the Gulf War defeat.

The United States continues to give financial and technical assisance to Iraqi opponents of President Saddam, the sources said. But Washington has been cautioning them that it is not ready to provide military support, not even air cover, for any operation they try to mount against the Baghdad leader, the officials said.

The reluctance to participate actively in any plot by providing military assistance, as sought by some Iraqi dissidents, reflects a U.S. intelligence community consensus that President Saddam remains firmly in control, and that no outside efforts to depose him are likely

They said the latest version of the U.S. National Intelligence Estimate on Iraq completed a week ago by the Central Intelligence Agency and other agencies, repudiates contentions by senior U.S. officials five months ago that the Iraqi leader's hold on power was

weakening A Washington official, noting what he called the Bush administration's poor track record in its endeavors against President Sad-dam, said: "It turns out that Saddam knew Iraq better than anyone else. There was too much wishful

Another reason the United States is reluctant to participate in covert action against the Iraqi leader is that U.S. allies such as Egypt and Turkey oppose Western military intervention to remove him.

But a more important deterrent has been the inability of the exiled Iraqi opposition to draw up a unified and coherent program for a post-Saddam government or to develop plans for a feasible operation to topple him.

"The United States will not do an operation on its own," said an Arab source. And among the Iraqi opposition, he added, there is no agreement on how Iraq would be ruled after President Saddam. "So the United States is not getting involved in any operation right

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This source said he believed the United States might reverse its position if plans were drawn up for an operation that seemed certain to succeed. But at the moment, he added, the Bush administration has not been considering a "covert program lest it boomerang in their

An Iraqi source, evidently referring to reports that Washington has prepared contingency plans to pre-vent President Saddam from crushing any significant internal revolt, added that he did not think the United States would "just watch" if something spontaneous occurred inside Iraq that looked like it had "a good chance of success."

The administration has decided to let a House committee hear the testimony of a State Department official who warned in October 1989 of evidence that U.S. loan guarantees to Iraq for grain had been diverted to weapons. The New York Times reported from Washington. The official cited "nuclear-related equipment.

The testimony by Frank Lemay, a State Department legislative management officer, represents a concession to the House Judiciary

The White House denied a committee request earlier to allow the testimony of two presidential aides C. Boyden Gray, the White House counsel, and Nicholas Rostow of the National Security Coun-

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# **AMERICAN TOPICS**

### Does Kente Cloth Sway a Black Jury?

A judge's objections to a law-yer's attire has become the talk of the Washington bar, raising personal freedom collides with court procedures and whether clothing can influence a jury, The New York Times reports.

John T. Harvey 3d was removed as defense counsel in an assault case last week by Judge Robert M. Scott of the District of Columbia Superior Court. Judge Scott said Mr. Harvey's striped stole, made out of a col-

orful African fabric known as kente cloth, might unduly influence the predominantly black jury in the defendant's favor. Neither the prosecutor nor Mr. Harvey's client raised objections about the cloth.

Mr. Harvey has asked the dis-trict appeals court to reverse the order. "An Orthodox Jew wears a yarmulke, an Indian wears a turban, and according to the case law they can appear before this judge," he said. . The multicolored kente cloth,

originally from West Africa, has become popular with black Americans in recent years as a sign of racial pride. If a lawyer went into count

think anyone would tolerate it," said Keith Watters, vice president of the National Bar Association, a black lawyers' group. But I talked with several members of our bar in California and Detroit, and they said that in their courts it is not an unusual sight to see an attorney wearing a kente cloth, and no one says any-

# **Short Takes**

"The entrances to New York City from the airport terminals are an ugly, graffiti-scarred, refuse-strewn eyesore," Steven J. Kumble writes in a letter to The New York Times. Roadsides are defaced by "discarded hubcaps and other automobile parts, garbage, paper refuse, pieces of tires, assorted filth and, in some instances, the hulks of aban-doned vehicles." Thus a visitor's first impression of New York is that of "a city overwhelmed by the problems of urban decay — a city out of control." Mr. Kumble suggested hiring young people looking for summer jobs to clean up this mess."

Forty years ago, President Harry S. Truman predicted the end of the Cold War, as recalled in a new biography, "Truman," by David McCullough. "As the free world grows stronger, more united, more attractive to men on both sides of the Iron Curtain," Truman said in 1952, the year before he left office, "and as the Soviet hopes for easy expan-sion are blocked, then there will rearing a clown outfit, I don't | have to come a time of change in

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the Soviet world... Whether the communist rulers shift their policies of their own free will or whether the change comes about in some other way - I have not a doubt in the world that a change will occur."

Roads paved with asphalt rubber are supposedly an environmentalist's dream. Instead of getting junked in shrinking land-fills, scrap tires are ground up and mixed with asphalt to create a paving material that holds up twice as long as conventional asphalt and offers a smoother, quieter ride. Last year, the U.S. Congress ordered that the asphalt in federally-funded projects contain at least 5 percent rubber by 1994. This is to increase to 20 percent by 1997. The Los Angeles Times notes, however, that some questions remain.

There is no evidence that asphalt rubber can be recycled, as asphalt can. And the cost is twice that of standard asphalt.

Pizza Hut, the largest U.S. pizza chain, plans to install all-you-can-eat buffets in most of its 2,700 restaurants by the end of the year. For \$3.99, patrons will be able to load up at 14-foot (four-meter) buffets with an assortment of pizzas, pastas and salads. A spokesman said that in four months of testing the company found that pizzas could be kept hot and fresh for 20 minutes on the buffet table if air is kept circulating around them. Pizza Hut is a subsidiary of Pepsico.

Arthur Highee

### **U.S. High Court Voids Part of Law** On Nuclear Waste

WASHINGTON — The Supreme Court has struck down a key part of the 1985 federal law designed to force states to find disposal sites for low-level radioactive

Voting 6 to 3, the court ruled that states to take possession of the waste if they have failed to come up with another solution by 1996 -violated states' rights. But the court left in place other

provisions of the law providing incentives for states to find a way to dispose of the waste from power plants, hospitals, research reactors at universities and various indus-

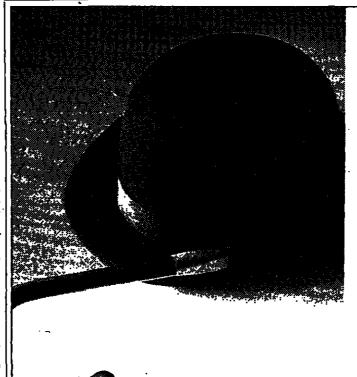
The ruling Friday undid part of a contentious law with which many states were unhappily trying to comply, but observers had mixed views about its effects. It could force Congress to reopen the politi-cally volatile nuclear-waste issue, or induce some big states to turn against others as they try to escape the law's reach.

### Libya Gives U.K. Names Of IRA Men It Trained

LONDON — Libya has given the British intelligence service the names of as many as 20 IRA members trained in special camps in Libya over the past 20 years, the

Sunday Times reported.

The extent of the Libyan training and cash supplied to the Irish Republican Army was far greater than previously thought, according to



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# Gunfire in Sarajevo \* Keeps Airport Shut

BELGRADE — Serbian artillery continued to batter parts of Sarajevo on Sunday, and the chief United Nations peacekeeper said the shooting was too intense to allow resumption of preparations to fly in food and medicines. It's still an unacceptable level of

conflict," said General Lewis Mac-Kenzie, chief negotiator for the United Nations Protection Force. Referring to a district near the airport, he added, "We're distressed by the shelling in Dobrinja."

The UN peacekeeping contingent has told the factions — Serbs and a loose Muslim-Croat bloc that further steps to demilitarize the Sarajevo airport could not be taken unless a general cease-fire held for at least 48 hours.

"What we must have is the ability to move unarmed around the city and in the hills around Saraje-General MacKenzie said in a telephone interview. "My men have been shot at every day for the past

Three Canadian soldiers in the unit were wounded, one seriously, on Saturday when their jeep took 50 shrapnel hits.

A truce declared a week ago to let UN peacekeepers bring supplies and medicine to the civilians suffering in a two-month Serbian siege has been repeatedly flouted.

The first stage of the airlift plan
Serbian withdrawal of tanks, artillery and antiaircraft batteries from the airport - was to have begun Saturday.

The government's medical Crisis Center in Sarajevo said that 15 peo-ple had been killed and 187 wounded in 24 hours. The Sarajevo radio said Serbs

firing artillery from the sirport and nearby barracks battered Muslimdefended Dobrinja on Sunday, killing at least one civilian on a street and wounding others.

"It is heavy shelling once again," the editor of Sarajevo radio, Zoran Pirolic, said by telephone. "Many buildings are damaged and several apartments are ablaze."

He said Serbian shells had sheared off the top five floors of the nine-story main newspaper build-

■ Serb in U.S. Declines Post Milan Panic, a Serbian-born California entrepreneur who was informally proposed in Belgrade this week as prime minister of what remains of Yugoslavia, said it was impossible for him to accept the offer. The New York Times reported from Washington.

Mr. Panic said he could not accept such a mandate without violating sanctions against Belgrade imposed by the United Nations and the United States.

38 Hibemia

39 Caress

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48 Silkworm

gazelles

51 Kind of nose

49 Arabian

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43 Part of a shoe



Reaching safety across the Sava River in Croatia, a woman from the Bosnian town of Broko lowered a child to the hands of another.

### **ACROSS** 23 Lone Ranger's sidekick 25 Melody

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### **BOSNIA:** A Vicious Cycle

(Continued from page 1) bulances and other relief vehicles All major international relief organizations, including the International Committee of the Red Cross and the UN High Commissioner for Refugees, have left the republic,

calling operations too dangerous.

In the case of the Red Cross, the decision was made after its director here, a French citizen, was killed in a Serbian attack on a relief convoy entering Saraievo.

But although verification of the killing is difficult, the pattern is clear. Survivors' accounts have been accompanied by details, in-cluding when and where the kill-ings took place and what the killers said.

Some of these accounts have been given directly to Western reporters and others gathered by Save Humanity, an independent human rights group in Sarajevo. They indicate that the victims are usually members of a single ethnic group: Bosnian Muslims, who are escendents of Slavs converted to Islam during the centuries of Turk-

But they have also included members of other groups, includ-ing Serbs accused of having helped the victims of other Serbs.

In many of the accounts, survivors have asserted that the attackers belong to one of several paramilitary organizations based in Serbia, groups with such names as Tigers, White Eagles and Chetniks, the last named after Serbs who conducted guerrilla activities against Nazi forces in World War II.

But the Serbian government has strongly denied that any fighting groups based in Serbia are allowed to operate in Bosnia

In a case chronicled by Save Humanity in the eastern Bosnian town of Bratunac, fighters from the Ti-gers and the Chetniks were said to have forced captives to watch and inhale the smoke as bodies of executed men were burned.

In other towns in eastern Bosnia, according to statements gathered by the human rights group, Muslim men were said to have been tied to wooden crosses before they were

The killers are not only among the Serbs. In areas where armed groups belonging to the Muslim and Croatian population are predominant, there have been slayings, including one earlier this month in Bradina, in which scores of Serbian villagers were killed.

Armed groups, again mainly but not exclusively Serbian, have made a widespread practice of hostagetaking, rounding up large numbers of civilians and holding them in camps, sometimes trading them for captured fighters.

In a document that became available in Sarajevo on Saturday, carried into the city by a Muslim woman from a suburb, Nahorevo, the Serbian leader gave permission for all Muslim children under 18, all women, and all men over 60 to leave the government-controlled center of Sarajevo.

part Serbs — in the words of the Nahorevo, "without any damage,"

# YELTSIN: Warning on Unrest From Russian Leader

been intense in the city of Bendery, in the breakaway Trans-Dniester republic, with Moldovan forces destroying as many as 11 tanks and killing from 100 to 200 people. Separatist troops regained control of most of the town Sunday, but skirmishes are reported to be continu-

According to Itar-Tass, a regiment of Russia's 14th Army, based in Trans-Direster, was attacked by Moldovans on Saturday night, but no other details were provided. The commander of the 14th Army said he was trying to stay out of the

fighting, but would act, as authorized, to defend his troops.

The Moldovans have accused Russian troops of intervening on the side of the secessionists, who fear Moldova's ties to Romania and want to join the Ukraine. Most of Moldova was Romanian until the Soviet Union annexed it in June 1940, under terms of a pact with Nazi Germany, and more Russians and Ukrainians were implanted to hold the ground.

Moldovan officials say they are willing to grant Trans-Dniester wide political and linguistic autonomy, but do not want to lose the

industrial heartland of their new state. They have warned that they may call on armed help from Romania if Russian troops continue to "intervene" on the side of the secessionists.

In the former Soviet Union's other major ethnic war, between Armenia and Azerbaijan over Nagomo-Karabakh, peace talks in Rome were suspended until June 29, after reaching an impasse on Saturday, More than 2,000 people have died in four years of fighting over the enclave, which has a majority Armenian Christian population but has been ruled by Muslim Azerbaijan.

# RUSSIA: In Retreat, Army Prepares for a New Fight

become a hostile standoff with the Balts. In Moldova, the 14th Army has essentially gone over to Russian-speaking separatists in the Dniester region to become an autonomous force. This panorama of defeat and dis-

order in the military would disturb any nation. It is particularly tranmatic for Russia, where the army and other security institutions have for centuries formed the core of

Mr. Yeltsin and his supporters have vowed to build a normal society on the ruins of the militaris-tic Soviet empire. They know they must succeed where the Roman emperors failed - in containing the bitterness and chaos that returning imperial legions brought home and spread in Rome.

General Pavel Grachev, the Russian defense minister, speaking to the newspaper Izvestia on June 1, said: "We made a defeatist decision by agreeing to pull out our troops from Germany within four years. What's the haste? Americans pledged themselves to do the same in 15 years. Now they can do every-thing slowly and thoroughly while we have to resettle people to places without modern conveniences.

Naturally it causes strong discon-From the Russian military perspective, General Grachev actually inderstates the case. For one thing, the United States has not set any date to withdraw from Germany. And resettlement conditions are not merely uncomfortable. General

Dimitri Volkogonov, perhaps Mr. Yeltsin's closest military adviser, said in an interview that there were already 195,000 Russian officers in Russia without housing. They live in makeshift shelters or move in with friends or relatives.

General Volkogonov describes the troops and officers returning from Germany as the core of the future Russian Army, which he says will be "a small, modern mobile army" of 1.5 million men, whittled down from the bloated 4-milclear this new army will have to force of Russian imperialism. Mos-concentrate on defending Russia's cow is engaging in hard bargaining borders and on domestic order.

But this was to be done on the intended for offensive operations," end of last year. document, "age for age, woman for tanks as the rest of the world com-woman, child for child, old man for bined. The troops left on Russian Russia must suddenly neg old man" - who must arrive in soil were second-echelon troops." and maneuver to secure coopera-

my have begun a serious debate and force less than a year ago. This

about the pace of withdrawal, which is to be completed by 1994, according to a well-placed German

"The dominant group wants to speed up the withdrawals to avoid the discipline and morale problems that they face living in a hostile population," the official said. "But there is an increasingly vocal group calling for a slowdown, to avoid the mess at home as long as possible."

Until two months ago, entire units were sent back "home" usually to camps in Ukraine or the Baltics. Now the Russian com-

An army built to fight superpower battles must be reshaped to resist the centrifugal forces trying to tear Russia apart.

mand, either out of fear or concern about the lack of housing in Russia, is demobilizing units before they withdraw from Germany and sending officers and soldiers back to the republics they claim as home.

About one-fifth of the officers in the former Soviet force in Germany are Ukrainians. But most of them are choosing to return to Russia in a sign that they expect Russia to ntain an important military establishment and doubt that Ukraine will create one.

The German withdrawal proeds, and Mr. Yeltsin agreed in May to pull more than 30,000 troops out of Poland by November. But Moscow has firmly refused to set withdrawal dates for the 110,000 military men stationed in Estonia, Latvia and Lithnania. Baltic leaders suspect that the Russian military does not intend to leave and will try to restore imperial rule after a rebuilding period.

Some Russian generals may har-bor such grandiose dreams. But lion-plus Soviet military Mr. Yeltsin's government seems to establishment. And he makes it be more realistic about the broken over the troop withdrawals in Before our armed forces were hopes of securing basing rights in the Baltics and some protection for condition that they find counter- he said. "It was a tank army. By the Russian civilians who want to stay e had as many there — concessions the the

Russia must suddenly negotiate Russian commanders in Germa- tion from neighbors it ruled by fiat

acids an overlay of political frustration and volmerability for Mr. Yelt-sin. His adversaries, and even some of his allies, are now charging his government with not protecting Russia's "national interests."

"We have to be tougher toward these former republics that are trying to capture our army's equip-ment and hold our civilians hostage," said Andrei Fyodorov. foreign-policy adviser to Vice President Alexander V. Rutskoi.

"We have no refugee policy, al-though we have 100,000 Russian refugees from other republics," he added. "We would be bringing an explosion into Russia by agreeing to withdraw from the Baltics."

Increasingly, Russia seems to be searching for the kind of allied Third Force in neighboring Muslim republics that the United States sought without success in Vietnam. Earlier this month, Russia signed a defense protocol with Turkmenistan to create a joint military command in which Russian officers and advisers will oversee and run a

local Turkman army. Throughout the Cancasus and Central Asia "there is the danger of a major explosion," warned Sergei Stankevich, state counselor to Mr. Yeltsin, who sees growing conflict between "newly emerging elites that use Muslim values to take over control of territory" and the former Communists who seek to cling to the power Moscow gave them in

Soviet days.
"We should find new people in these republics who are not connected with Muslim fundamentalists and who do not belong to the

old corrupt order," he said. Mr. Stankevich sees the Russian Turkman agreement, which clears the way for Russian troops to police the long Turkman border with Afghanistan and Iran, as a model for other bilateral treaties to link Russia to other republics and limit the danger that border turmoil poses for Russia's delicate internal alances.

"Russia is not a nation-state like Germany or France," Mr. Stanke-vich said. "We have many states inside Russia. Asia is inside Russia, as well as Europe. Many races and religious are inside Russia. Russia's overriding interest is to stop the inertia of disintegration that has brought us to this situation.'

Stopping the inertia of disintegration would have ! laughably modest ambition for Russians throughout most of the last millennium. Today, it is an

# PEROT: Seeking Improprieties, He Investigated Bush on the POW Issue

(Continued from page 1)

An extensive investigation by The Washington Post of the results of Mr. Perot's inquiries into Mr. Bush's conduct in these matters turned up no evidence of impropricty by Mr. Bush.

Torie Clark, the Bush campaign press secretary, told The Associat-ed Press: "If he's going to go after the vice president of the United States, on absolutely no grounds, for absolutely no reason, would anybody in this country be safe from his pryings? If you look at what he did as an individual, the brother as president."]

brother as president."]

Since 1986, Mr. Perot has pursued several leads suggesting that Mr. Bush, since serving as director

o Since 1986, Mr. Perot has pursued several leads suggesting that Mr. Bush, since serving as director

o Since 1986, Mr. Perot has pursued several leads suggesting that Walsh, has provided no public indication that Mr. Bush will be "They are all straight arrows," he

(Continued from page 1) in the 1970s, has been part of a leveraged, really walk-the-line tax conspiracy to suppress information indicating that American service-men are still being held by Viet-have been the delay of the release

Mr. Perot has told associates that he believes CIA employees who had been involved in heroin dealing and money-laundering put pressure on Mr. Bush to keep silent about the existence of MIAs. No evidence has been found to support Mr. Perot's charges.

• Mr. Perot has pursued information that he believes could show Mr. Bush was "up to his ears" in what he did as an individual, the the Iran-contra scandal. Some of amount of time and energy and the leads have been provided by the resource he spent on hiring investi-gators and sleuths and secret ganization that researches covert agents, what would he do if he had the FBI and the IRS and the CIA? government activities and circulates conspiracy theories. Mr. Bush The country does not need big has denied any Iran-contra in-

• Mr. Perot has also looked into whether Mr. Bush was involved in of American hostages held in Iran until after the 1980 election. Earlier this year, Mr. Perot sent an associate to interview a prison immate

in Missouri who claimed he had flown Mr. Bush to a secret meeting in Europe in 1980 in an SR-71 what he thought was a questionable transaction involving the federal government that he believed might start the plane, Mr. Perot dropped the investigation, according to a Perot spokesman. ● In 1986, Mr. Perot told Mr.

Bush, in what Mr. Perot portrayed as a friendly warning, that two of Mr. Bush's four sons were said to be involved in improper activities. Mr. Perot said a Florida investigator told him that one son had visited a known gun smuggler.

written note defending his sons.
"They are all straight arrows," he

personally to questions about specific investigations involving Mr. Bush. Asked for a formal response last week, James Squires, Mr. Perot's campaign spokesman, dis-cussed only the extensive inquiry into Pennzoil's tax deduction. Mr. Squires said Mr. Perot in 1988 "received information about

constitute a fraud on taxpayers. "After hiring a Washington law firm to do what amounted to a public records check on the mat-ter," Mr. Squires said, Mr. Perot passed on information to The

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The Court was

Washington Post. "No investigators were em-ployed, no laws were violated, no one's privacy was invaded," Mr. Squires said. "Mr. Perot does not think his actions were inappropri-

The same kinds of things that intrigue an investigative reporter intrigue him," Mr. Squires said.

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| of the Central Intelligence                                                                                       |                                                                                                                                                                         | Bush will be "They are a wrote, "unin                                                                                                                                           | ll straight arrows," he intri<br>volved in intrigue." intri                                                                         |
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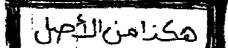
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# Where's the beef?



Foreign corporations expanding in Europe face truly difficult decisions.

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For one, are marketing activities your goal or do you plan to set up manufacturing tions? Then there is the question of acquisition versus building up your

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# For Ex-Soviets, a Plan for Hands-On Aid

STRASBOURG, France - The West should create an elite corps of experts to live in the former Soviet Union and help officials there run government and business, a leading American specialist on Russia has proposed.

The specialist, Robert D. Blackformer National Security Council member who now teaches at Harvard, made the recommendation this weekend ahead of the meeting next month of the Group of Seven leading industrial nations in Munich.

His plan won strong endorse-ment from American, European, Russian and Ukrainian officials

Admitting that financial aid to the former Soviet Union had reached a limit, prominent specialists said that the most acute problem now was the inadequate level of Western technical assistance to help absorb the available funds.

Sir Geoffrey Howe, a former British foreign minister and chancellor of the Exchequer and now an tory contacts. economic adviser to Ukraine, said Western pledges of financial help currently amounted to roughly \$50 billion — the equivalent in today's currency of the sum provided by the Marshall Plan.

Although that level of Western financial assistance is far below the total price tag usually placed on economic recovery for the former Communist countries, there is no realistic prospect of more funds soon, the specialists said.

Mr. Blackwill, who was an archi-

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American, European and Japanese advisers in Russia and neighboring ment changes ranging from privati-

banking to farming.

A thousand such advisers, each costing \$100,000 a year, would be a of World War II. comparatively small extra invest-

prominent European and amountwhich involved thousand of Ameriparts in Western Europe to achieve cade. economic recovery in the aftermath

In Ukraine, Mr. Blackwill said,

the experiences of other countries

mies and democratic institutions.

cal of Europe.

A network of experts is viewed as a small extra investment to help guarantee that Western aid is effective.

ment to guarantee a payoff on the there are now only six resident

Russian and Ukrainian aides, together with Western specialists, agreed with Mr. Blackwill that current aid levels, together with longer-term hopes for private investment, may be endangered by a chaotic, wasteful pattern of transi-

"The Marriott syndrome," as one official dubbed the tendency, refers to a stream of influential Westerners who visit former Communist capitals for a few days in local luxury, then leave after consuming the time of local leaders and often confusing them with a succession of contradictory-sound-

To help new governments organize themselves better, Mr. Blackwill said, the West urgently needs to send thousands of advisers to

planes, across the

asis of comfon and convenience.

connecting lootbridge, a tranquit

restaurants, delightful garden, swimming pool, health club, sauna,

massage, excellent conference

facilities, and regular downtown

stay, or a bite before the flight.

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Prophese (0) Sec. (12) Sec. (12) Test (1) Fig. (1) SCS ARMORT, Sector (12) Sec. (14) Restruction with side (1) Improperate Depart Reservation

ings to ensure that key initiatives are pushed through. The only negative note came tect of the so-called grand bargain live, work and teach in the former from a representative of the French land had been received. covernment, which has consistentopposed institutional innova- head, said the EC Commission had

> Mr. Blackwill acknowledged that hard currencies. But the new chalhis proposal was partly aimed at lenge is structural changes, which getting the United States and Ja- will require the sustained presence pan in deeper" in the recovery cam- of many Westerners to ensure that paign in Russia and neighboring the provision of help dovetails with

(Continued from page 1)

can really accomplish. Can any compromise stretch far enough to

paper over the gaping differences

overlooked in the euphoria of the

bargaining table was that none of

the parties fully controls its follow-

The Boipatong massacre was riv-

that divide this country?

things done in its name.

recriminations is how much they African policemen.

One of the problems sometimes blamed the African National Con-

eting because of the scale - about as political partisans, but it is not

40 killed, many of them women and something that will be readily con-

children - and because of allega- tained by a new constitution.

influence in post-Cold War Eu-

That would help satisfy Germa- tries, he said.

offering large-scale funding as a reward for Russian reforms, suggested creating a new international establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization to some technical establishment of the called for an organization establishment of the called for tries to take a larger share of the He called for an organization to burden. The need for more technibody to manage a network of field this team, to be headed by a cal assistance has been voiced by the German chancellor, Helmut ing to an internationalized version Kohl, but no one has previously countries who would help imple- of the U.S.-led Marshall Plan, said publicly that a separate organization would be needed to suszation to municipal services, from can advisers working with counter- tain a program over at least a de-

> A practical limitation on an advisory corps would be its inability to impose full coordination for Western aid, according to Mr. Blackwill, who said the International Monetary Fund and the World Bank were too deeply involved and too experienced to tolerate interference.

Currently, the lead role in coordinating Western aid to the new democracies belongs to the European Community, but American officials said the EC bureaucracy Western experts funded by their governments to advise the Kiev could not handle an expanding government on how to use outside Western effort in the coming years. help and how to draw usefully on

American officials acknowledged that Washington would be in developing free-market econoloath to operate under EC auspices in envisaging deeper U.S. involve-ment, including personnel, in a Agreement that what is needed is technical assistance, not more long-term recovery campaign for money, came from Russian, Euro- Russia.

Criticism has been mounting of pean and American officials, who the performance of the EC Comwere taking part in a conference in ion, the Community's execu-Strasbourg sponsored by the Countive arm, in seeking to prevent overlaps in Western proposals for Backing the proposal, Sir Geof-Eastern Europe and in helping speed up the actual spending of aid frey said management skills were desperately lacking: In most of the

new democracies, governments do A report by the New York-based not yet hold regular cabinet meet-Institute for Fast-West Studies said that the only small fractions of the aid promised three years ago to Czechoslovakia, Hungary and Po-

But just Sunday morning, the po-

lice said, three men and two women

were killed in a raid on an Inkatha

hostel in Soweto. Inkatha leaders

This low-level, weekly carnage

ers or accepts full responsibility for may be carried out by rogue fac- er exists, except for the one glaring

tions within the black political or-

ganizations or by criminals posing

ions likely to enhance American played a useful role in helping maintain these countries' financial stability during the transition to the ideas and needs in these conn-



HOT TIME IN THE OLD TOWN — Jacek Kuron, a leading dissident during the campaign against communism and now a well-known politician, lading hot soup in Warsaw's Old Town in a campaign to raise funds to send needy children to sammer camp.

# Prague Split: Is the Inevitable Imminent?

By Stephen Engelberg New York Times Service PRAGUE - Czechoslovakia may give the appearance of a nation sliding step by step toward dissolution, but leading politicians still are stressing that the divorce John E. Mroz, the institute's proceedings are in their initial

> The 74-year-old union between the Czech and Slovak peoples, who have increasingly stressed in recent months, could end before the year does, according to a prescription laid out in talks this weekend.

own security apparatus, which now

stands accused of collusion in the

massacre of women and children.

A second reality that cannot be

negotiated away is the still unfath-

black, European and African, have

On the books, apartheid no long-

provision the negotiations are

blacks have no right to vote. In

reality, the apartheid remains deep-

imed at changing, the fact that

and have-not

slava still insist upon discussing the breakup of their country in conditional tenses, and there is clearly an element of brinksmanship in the negotiations between the Czechs and the Slovaks. But the dominant mood for the moment is of inexorability, with the weight of opinion on the Czech side shifting toward allowing the Slovaks to go their own way as fast as possible.

The schism began with the "velvet revolution" in 1989, which broke the hold of communism and accentuated the differences be-

Politicians in Prague and Brati-tween the more affluent, Western-

MANDELA: Behind the South Africa Violence, a Deeper Rage Simmers Nor is it at all clear to what culture, the demography, even, it vived by the last week's horror and assisted in the slaughter by South extent Mr. de Klerk controls his often seems, the soul.

A third and most immediate problem is that the political ambitions of the rival parties at the bargaining table are separated by a omable gap between white and gulf of principle.

Until mid-May the parties to the talks had glossed over fundamental disagreements to maintain the impression of forward momentum, which Mr. Mandela needed to show he was getting closer to power and Mr. de Klerk needed to convince the world of his good intenly ingrained in the economy, the tions.

who opposed speedy development and economic reform.

The split widened with parliamentary elections this month when a majority of Slovak voters, who occupy the eastern third of the country, cast their ballots for the Movement for Democratic Slovakia, led by Vladimir Meciar, His party favors a loose confederation of two sovereign nations and a softening of the economic "shock therthat has brought relative prosperity to the Czech lands and a severe recession to Słovakia.

But the voters in Czech regions gave a plurality to the Civil Democratic Party led by Vaclav Klaus, architect of the economic program and former finance minister.

In an interview on Czech television he dismissed the Slovaks' idea of a confederation as a "joke." Another clear sign of the course of events was the decision last week by leading Czech and Slovak par-

ties not to join the federal cabinet. Mr. Klaus, who was invited earlier in the week to serve as federal prime minister, now says he would prefer to be Czech prime minister. There is speculation that President Vaclay Havel, whose political

resign and end up as Czech presi-

dent, although the post does not yet

imprisoned as a dissident under Communist rule, has acknowledged that a breakup is probably inevitable, but he has urged that a referendum be held on the matter The party leaders, Mr. Klaus and

Mr. Meciar, met twice last week,

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with the final session Saturday in the Slovak capital of Bratislava The two agreed to a joint statement proposing a sharp reduction in the size of the federal government. Ministries would be out from 13 to 5. with only defense, finance, interior, economics and foreign affairs remaining at federal levels. Other functions of government would be shifted to the Czech and

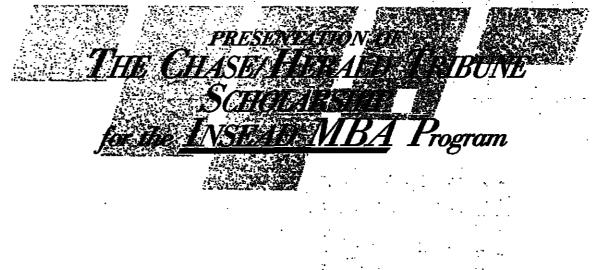
Slovak national governments. Under the arrangement announced in Bratislava, the parliaments of the Czech lands and Slovakia must put forward proposals about the future shape of the coun-

try by Sept. 30.
Mr. Meciar favors a referendum on whether to dissolve the federation, while Mr. Klaus has become increasingly cool to that idea.

It is not clear how such a vote would come out in Slovakia, which is expected to declare its sovereignfuture is now gravely in doubt, may

ty within the next few weeks. The Czechoslovak federal parliament would have to approve any accord reached by the two regional

### GOODBYE We are under threat. That threat's called the Sun. That life-giving, warming Sun that lights our lives is fast becoming a lethal danger to us all. We're no longer fully protected against ultraviolet radiation from the Sun's rays. That's because the ozone layer is being seriously depleted. Without the ozone layer, there's nothing to stop harmful radiation reaching the Earth's surface. Increased ultra violet radiation leads to skin cancer and blindness, and breaks down the body's immune system. People and animals. plants and trees, are all affected. Our message is urgent. Today, ozone depletion is no longer just confined to the Antarctic ozone hole. Over the USA, Canada, Europe. Australia and other populated areas, the ozone layer is thinning, much more quickly than scientists predicted. Greenpeace aims to stop the production of chemicals that destroy the ozone layer. We have started a worldwide campaign for an immediate han on production of CFCs and other ozone depleters. We want to encourage the use of environmentally safe alternatives so that the ozone layer will be able to recover as soon as possible. We are targeting governments, and some of the largest chemical companies in the world. But CFC-producing industries and governments are not easy to convince. We need So please give all your support to Greenpeace. Just complete the coupon below. We will send you free of charge information about the ozone situation. Mail the coupon today. It's in your own interest. And of those generations to come. DON'T KISS THIS BABY GOODBYE.





The Chase/Herald Tribune Scholarship to Insead, the leading European business school, reflects the continuing interest of both sponsors in furthering advanced business education for younger international executives. The 1992 scholarship was won by John Marcom, an experienced young journalist and publishing executive whose career to date had spanned both Europe and Asia.

At a recent presentation ceremony at the Insead campus in Fontainebleau, France, Mr. Marcom received the award from Tom Swayne, the Chase Manhattan Bank Area Executive for Europe, Africa and the Middle East and Richard Morgan, Associate Publisher, International Herald Tribune.



THE CHASE/HERALD TRIBUNE SCHOLARSHIP

# Rush to Buy U.S. Property Slows to a Cautious Walk

### By John Burgess

ASHINGTON — Every week, it seemed, newspapers reported the sale of some other American landmark — Rockefeller Center, the Pebble Beach golf course, Arco Plaza in Los Angeles. Even cattle ranches were being sold to investors from Japan, who seemed to have endless supplies of money and optimism about the U.S. market.

In 1990, Japanese investors spent close to \$13 billion on U.S. real estate. For many Americans, the purchases brought home dramatically Japan's emergence as a potent force in another area of their country's economy. Japanese diplomats began to worry about "investment friction."

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Suddenly, the boom has cooled. Recession at home and imploding values in

the United States have caused these new investors to rein in their enthusiasm. A few have done what Japanese businesses supposedly never do, they have put their U.S. properties on the market, sometimes at a loss.

New Japanese real estate investment in 1991 plummeted 61 percent, according to a study by the accounting firm Kenneth Leventhal & Co., which tracks the industry. The year's \$5-billion figure represents the smallest infusion into the U.S. market since 1985.

"Some people who have made bad investments are sitting back and will not consider any further investments," said Masahiko Kawa-kami, semor vice president at Mitsui Real Estate Sales New York Co.

But others remain active, though generally with more caution than in the past Mr. Kawakami said his company would not buy office space in Manhattan these days; he estimates that that market will take five to six years to recover. But he said there remain good properties in areas such as residences and retail buildings and his company continues to scout there. In short, says Stephen G. Finn, managing partner at Kenneth Leventhal's Washington, D.C., office, Japanese investors have "substantially curtailed their operations. But they're not

cashing in all their green stamps at this point." The cutback is one more sign that the country known as the world's prime source of inter-national capital has switched gears and is for the time being looking inward. Japanese investment in foreign factories and in government securities is down substantially, too.

Japan's economy is bambling along at about a 2.5 percent growth rate this year. Property values there are slumping; bankrupt compa-nies in Japan left a record \$58 billion in debt in

1991. The Tokyo Stock Exchange, where share prices once seemed able only to rise, has lost more than half of its value since the beginning

This instability at home led Japanese banks to back off from foreign loans, which had a big impact on property deals. "Most, if not all, of the Japanese real estate purchases were driven by Japanese banks' willingness to finance the projects," said Dan Schwartz, manag tor of Ulmer Brothers Inc., a New York invest-

Now some real estate market watchers in the United States are saying that Americans got the best of the wealthy, often naive newcomers, extracting good prices, then leaving them to deal with the plummeting values that have

Generally, Japanese firms that are selling are the smaller, newer ones, which are independent upstarts in their home market, "It's the secondtier people who are susceptible to the pain quicker," said Mr. Finn.

A case in point is Maruko Inc., a midsized Japanese investor, which in 1990 purchased for a reported \$67 million a property called the Hyatt Grand Champions golf and tennis resort, in Indian Wells, California.

UYING from the U.S. Resolution Trust Corp., the federal agency that is taking over many properties as part of its mission to straighten out the United States' savings and loan crisis, Maruko got the resort for a deep discount over its original construction price.

But now Maruko has become caught up in Japan's own real estate property crunch and is in bankruptcy proceedings. A resort spokeswoman said the property is up for sale.

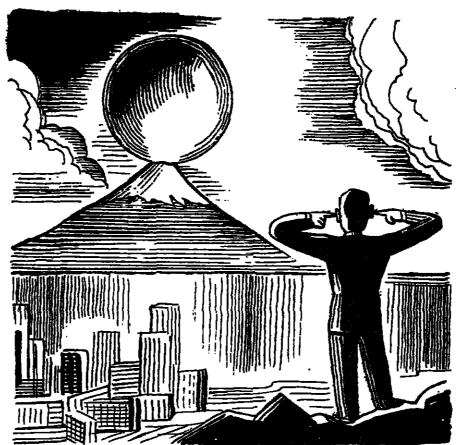
There is little sign that larger, more stable

Japanese investors, such as the mammoth Mit-subishi Estate Co. plan sell-offs. "The saving grace is their general mind-set to hold on," said Mr. Finn. Many are members of the industrial groupings known as keiretsu, whose members help each other.

Japanese investors got seriously interested in U.S. real estate after the Western industrial powers reached an agreement in 1985 to lower the value of the dollar against the year and European currencies. That was aimed at curbthe United States' trade deficits.

It also made U.S. properties seem like bargains to people holding foreign currency. Japan was accumulating huge supplies of dollars through its trade surpluses and had to invest them somewhere. The U.S. property market

Continued on page 8



# Who Governs the Nation?

### A Powerful Bureaucracy Dominates Parliament

### By T.R. Reid

OKYO — The political organization that has controlled Japan's government for 37 straight years is formally known as the "Liberal Democratic Party." In fact, an old joke runs, it's none of the

Despite the "liberal" in its name, the LDP is the most conservative major party here, defender of the status quo and voice of the corporate and agricultural establishment. Dete the term "democratic," the LDP is anything but, with important policy and party decisions dictated by a small coterie of aging power brokers who sometimes pay scant attention to the wishes of the electorate. And the "party" is actually a rather motley collection of five parties, known as factions, which raise money independently and battle furiously over policy and patronage jobs.

The anomalies do not stop there, either. Despite its record as the longest-reigning party in any major democracy, the LDP gets little attention or approval from the people. LDP governments routinely draw approval ratings of 35 percent or less in polls, and a figure above 50 percent is considered astronomical -- this for a party that has elected every prime minister since it was founded in 1955.

How can a party continue to win when it gets no respect? One reason is that the four chief opposition parties get even less. But the more important factor is a basic truth about the world's second-richest country: In Japan, elected government is just not very important. Government, as an institution, does play an

important role in running Japan, and was, in fact, instrumental in shaping the nation's post-war economic "miracle," the transformation of a shattered, poverty-stricken wreck of a conn-

Continued on page 8

# **Economic Dip Signals** It's Time for a Change

# Reformers Focus on Business Practices

### By Steven Brull

🤜 OKYO — Just a few years ago, Japan seemed invincible. Its stock and property markets were soaring, a tor-rent of high-tech products was making corporations perversely profitable, and Japanese investors were buying up chunks of

Today, as the collapse of the bubble weakens Japan's economic juggemant, the nation has begun a debate over the practices that have made it the world's second biggest economy. In an ironic twist, the nation's elite has tacitly accepted some of the ideas of revisionist critics of Japan and argued that it is time for a

structural overhaul. We need drastic change in the thinking of Japan as a whole," said Masaya Miyoshi, president and director-general of Keidanren, the Japan Federation of Economic Organizations, the country's leading business group.

should change our mentality." Keidanren has been espousing a new con-cept, kyosei, which translates as symbiosis. The basic idea is that Japan needs to alter its business practices to coexist with major trad-

ing partners in America, Europe and Asia. Japan, they say, needs to rethink the prac-tices by which workers have toiled long hours for low pay, and saved large sums at low interest rates for the sake of industry, all the while putting up with a social infrastructure befitting a second-rate power. Japan needs less red tape, greater competition, shorter working hours, higher salaries and dividends to stockholders, and more spending to improve the social infrastructure.

Changes of this sort would let Japanese consumers experience the wealth they have earned, improve access to the market by foreign companies, and go a long way toward easing the acrimony between Japan and its major trading partners that has begun to crode the principles of free trade.

Talk, of course, is cheap. And analysts are divided on the prospects of Japan actually changing. But there is one point of agreement: Japan changes only when it is forced to, and when it sees change as in its own self-interest. And therein lies a ray of hope.

A key to Japan's success over the years has been its ability to accommodate economic changes, especially drastic ones that could be

sold as a crisis to force painful reforms. When the yen surged following the Plaza Accord of 1985, Japanese companies cut costs, shifted production to cheaper sites abroad and invested in new technologies to advance into upscale markets. Today, manufacturers are competitive even with a stronger yen.

Yet, the current transition is more challenging. Before, Japan could adapt simply by investing more and tightening the screws on workers and subcontractors - all with little. inpact on the domestic status quo.

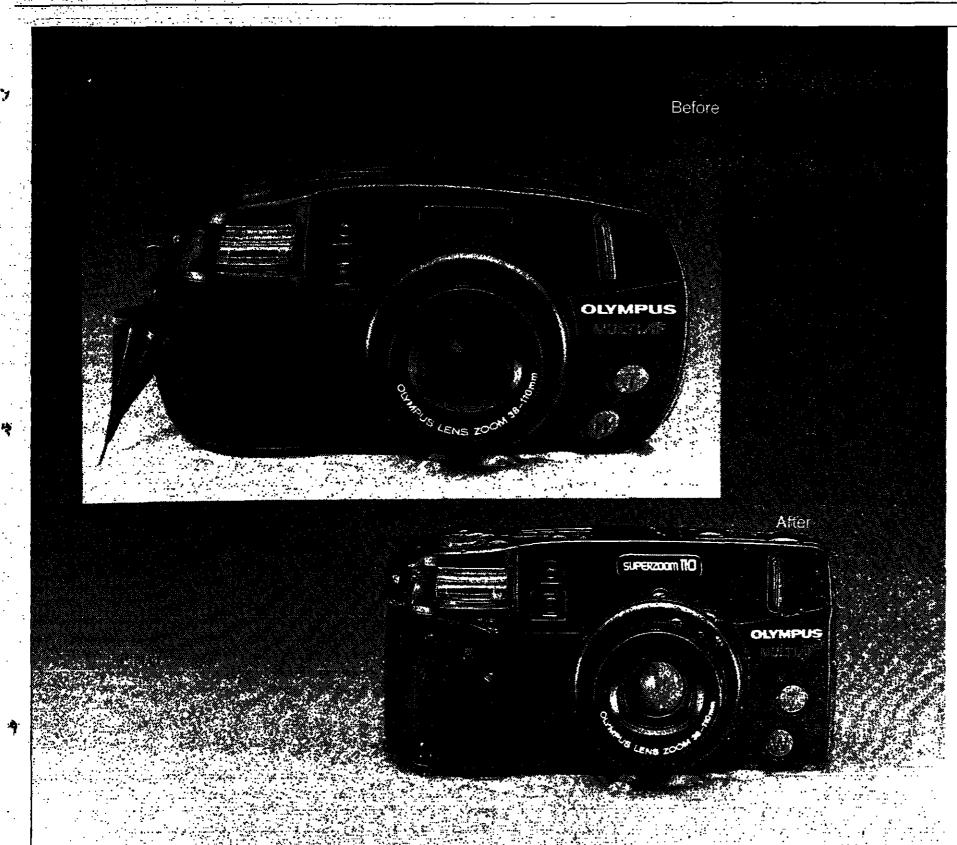
This time Japan lacks the same sense of crisis, in part because even as Japan's economy scrapes the trough of the current downturn, the pain of recession is muted by the reluctance of companies to fire workers. In addition, the economy is expected to pick up sometime later this year or early next, and the government is targeting 3.5 percent growth over the next five

Moreover, the changes being called for strike at the core of the social and economic contract, threatening vested interests that are sacrosance in Japan. "Making changes will be like peeling an onion," said Paul Summerville, economist at Jardine Fleming Securities. "One layer at a

TREAMLINING Japan's distribution system, for example, would let consumers harness the strength of the yen and give foreign competitors better access to the market. But it could mean unemployment for millions of small shopkeepers, major supporters of the governing Liberal Democratic Party. "We've tried but have been mable to change the distribution system," said Naoki Tanaka, economist at the private Research Institute on the National Economy. "It will take a long time."

Yet, there are strong forces compelling change. The prime motivation behind kyosei is a growing fear that the outside world will no onger tolerate Japan as it is. "There's a realization that if Iapan just goes along as before, with its own style of management, we'll be completely shut out," said Takamitsu Sawa, professor of economics at Kyoto University and director of the university's Institute of Economic Research. Even efficient aspects of the Japanese system, such as the keiretsu busi-

Continued on page 8



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# Dip Signals Time for a Change

Continued from page 7

ness groupings often criticized as exclusionary, must

Fear is growing because Japan's deeper penetra-tion into foreign markets is a key to its continued growth in the 1990s. Kenneth Courtis, strategist and senior economist at Dentsche Bank Capital Markets in Tokyo, says Japan's need to recycle a trillion-dollar current account surplus this decade, plus new direct investment, will mean Japan will direct as much as \$550 billion overseas in the 1990s — more than twice the amount already invested.

Overseas production by Japanese companies, now equal to about 5 percent of gross national product, will triple to 15 percent by the year 2000. That would compare with about 17 percent for Germany and 22 percent for the United States.

The direction of technology and the need for economies of scale dictate a need for further integration into the world economy," said Clyde Prestowitz, president of the Economic Strategy Institute, a Washington think tank. "The question is what will be

the terms of integration and growing independence."
While vested interests and the grinding pace of
Japan's bureaucracy guarantee the pace will be slow, there are already signs that demographic changes at home, as well as economic pressures from abroad, are forcing Japan to harmonize its system with the outside world. A severe labor shortage, due to the rapidly aging workforce, structural inefficiencies and reluctance to fire workers, has led the government to turn a blind eye to an influx of illegal foreign workers and given women greater professional opportunities. The ranks of farmers and shopkeepers — among the most coddled — are also thinning as their children

choose to live in cities or work for bigger companies.

Giant corporations, their earnings pressured by
the sluggish economy and higher capital costs, are likewise beginning to behave more like Western concerns, placing more emphasis on profits and less on cutthroat competition to win market share. The keir-etsu system is beginning to fray at the edges. Matsushita Electric Industrial Co., for example, the world's biggest consumer electronics company, recently distanced itself from its huge chain of domestic retailers. Working hours, now more than 2,100 per year, are likely to come down to 1,800 by 1996, based on legislation set to be introduced in parliament.

"Our attitude toward competitors will change in the near future -- we'll be a lot more accepting," Mr. Tanaka said. But the day when the Japanese mentality evolves into something more natural to Western minds is a long way off. "Changes will take place over generations, not decades," Mr. Miyoshi said.

STEVEN BRULL is the International Herald Tribune's correspondent in Tokyo.

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Japanese Investment In U.S. Real Estate

# **Investors Cautious**

Continued from page 7

was booming and even when investors paid a premium, as many did, the market value often quickly caught up. In Hawaii, Japanese agents negotiated purchases of hotels on Waikiki Beach and, cruising high-

value residential neighborhoods, made offers on private homes. Purchases peaked in 1988 at \$17 billion, according to Kenneth Leventhal. But some of the biggest deals were still to come. In 1989, Mitsubishi Estate attracted nationwide publicity in the United States by paying \$846 million for a con-trolling interest in the firm that owned Rockefeller Center, the coveted Manhattan address that in-

cludes Radio City Music Hall, To some Americans, the buying spree was a troubling sign that Ja-pan was "buying up" their country. Real estate purchases became fodder for jokes on TV talk shows and commentary in Congress.

In Tokyo, Japanese officials became concerned that the investments would put new strain on trans-Pacific trade relations and discouraged further purchases of so-called "trophy buildings."
Many Japanese buyers were in any case already operating secretly

through agents.
When Chicago's Sears Tower, the world's tallest building, went on the market three years ago, Japanese officials were widely reported to have urged Japanese companies to keep their distance. But such a step probably would not be necessary today - investors would stay away of their own accord.

JOHN BURGESS writes on business for The Washington Post.

# 'Delicious Country' for Foreign Workers

By Andrew Horvat

OKYO — Except for the workman with a prominent nose and curly black hair sitting in the back, the truck was indistinguishable from doz-ens of others stuck in traffic. The metal sign bolted on the front door stated that the vehicle belonged to a company in the eastern part of Tokyo, home of the city's small-scale industries. At the pedestrian crossing, I found myself looking straight into the face of the foreign worker. Sensing my gaze, the man burst into a broad smile. As foreigners are not allowed to do manual work in Japan, a man with Middle Eastern features was clearly out of place in a

construction company vehicle.

A few days later the following headline appeared on an article in a Tokyo English language newspaper: "More Japanese Noticing Foreigners." According to the article, 90 percent of respondents to a survey taken in the Tokyo area said they had noted a sudden increase in the number of foreigners on construction sites. For all that, the Japanese Ministry of Justice maintains that the number of illegal workers in the country came to no more than 30,000. The discrepancy between popular perceptions and official figures had a lot to do with the broad grin on the face of the worker in the truck.

In the meantime, at the Ministry of Educa-tion, where officials stand by helplessly as tens of thousands of young workers from China, South Korea and Southeast Asia smuggle themselves into Japan by obtaining student visas through fly-by-night Japanese language schools, a section chief sighed and said, "Japan has become an oishii kuni [delicious country]

The official's remark summed up the Japanese government's dilemma as it braces itself for an onslaught of perhaps millions of foreign workers.

In spite of an economic downturn, Japan is in the midst of a labor shortage expected to last into the next century. Just before the last economic boom crested a year ago, there were 150 jobs per 100 applicants. At present, the

rano is 125 per 100. The resistance Japan is putting up against accepting foreign workers has to be seen in a historical light. The No. I motivation of Japan's lander for the next continue has been to pan's leaders for the past century has been to build Japan into an industrially, and for a time militarily, strong nation so as to prevent it from falling into the hands of European colo-

Nationalists warn of the consequences of opening Japan's labor market.

nial powers. Leaders resorted to the cultivation of nationalism verging on a cult of uniqueness to motivate the people to make sacrifices for the survival of the nation. Having succeeded in creating a powerful economy, Japanese policy-makers are faced with having to dilute the country's "purity" in order to guarantee its

The Japanese birthrate has been dropping dramatically for the past 40 years. It is estimated that by 2025, the number of Japanese between the ages of 50 and 70 will exceed those between 30 and 50. At the same time Japanese young people have been finicky about the kind of jobs they are willing to do. The "three Ks" has become a popular expression for the sort of work young people avoid. They are kitanai (dirty), kitsui (hard), and kiken (dangerous). In Thaland, the Philippines and South Asia—areas that once supplied the Middle East with workers when sheikhs spent their oil dollars on roads, desalination plants and refineries roads, desalination plants, and refineries there is no shortage of workers wanting to do

In contrast to the meticulous planning Japa-

nese bureaucrais are known for when it comes to industrial policy, the government seems in able to adopt a realistic response to the labor shortage. While locating factories overseas in cheap labor areas is an option for large corporations, small companies continue to go bankrupt for lack of workers. Although the official position is one of "no foreign manual workers," a source close to a leading Liberal Democratic politician disclosed recently that the ruling party is under strong pressure from construction companies to look the other way." The result has been a typical Japanese compromise. Small companies in next of cheap foreign labor reportedly avoid raids by making sure that their foreign workers leave Japan voluntarily after overstaying their visa for "a reasonable time."

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Earlier this year, a government-appointed advisory group recommended the introduction of a "trainee visa" system, which if accepted will allow Japanese companies to import foreign manual workers legally. The Sankei, a conservative daily, pointed out, however that the arrangement is clearly intended to permit the government to maintain the fiction that it does not pennit unskilled foreign workers to work here.

In the meantime, Japanese nationalists warn. of the terrible consequences of opening Japan's labor market to a large group of visible foreigners. They point to the example of Germany, where the presence of large numbers of "guest workers" has triggered outbursts of racial violence. But is it really violence that nationalists fear? Are they not worned even more by the prospect of the disappearance of the tan-tisu minzoku (a people from a single stock)? Surely there can be no greater threat to a society that places a high value on purity than a blurring of distinctions between insiders and outsiders.

ANDREW HORVAT is the Tokyo correspondent of American Public Radio's "Marketplace"

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# Powerful Bureaucracy Governs Nation

Continued from page 7

try with few friends and no resources into a

global trading and financial giant. But the government that matters in postwar Japan is the permanent, bureaucratic government, a formidable power center that dominates the elected parliamentarians it is supposed to serve. The bureaucrats enjoy not only executive power, making and enforcing the regulations that govern large aspects of Japanese life, but they are also pivotal to the legislative function, writing most bills and even scripting parliamentary debates. Big business is also a key power center,

although the Japanese financial-industrial complex no longer exhibits the kind of lockstep unity of purpose that gave rise to the outdated sobriquet "Japan, Inc." Organized labor is energetic, if not effective. And gradually, the broad-based citizens' movements familiar in other democracies - consumer groups, environmentalists, minority activists -- are starting

to speak out and play a role in setting national priorities. But strikingly absent from this disparate group of power centers is the national Diet, or parliament, the seat of representative

Japan today is a generally free, democratic country with a high degree of press freedom and a tradition of open, honest elections that draw a high turnout. But unlike most other democracies, free elections here do not make much difference. Voters, having figured this out, seem downright indifferent. Thus, the leaders of the LDP faced no great outcry last fall when they gathered in a closed room and agreed to dump the popular Prime Minister Toshiki Kaifu in favor of Kiichi Miyazawa

A week before the LDP election that formalendorsed Mr. Miyazawa, a national opinion poll found that only 10.5 percent of those surveyed were interested in the party vote.

Does the lowly state of elected government matter? It is tempting to answer with a flat "No." After all, Japan over the past four decades has been a generally peaceful and prosperous nation, with economic and educational systems and a level of civility that are envied around the world.

But the absence of a central leadership is painfully clear in Japan's continued inability to make up its collective mind about questions that matter to the rest of the world.

Will the Japanese find some way to balance Will the Japanese min some way at parametric giant trade surpluses they have run up against almost every developed nation? Will they use their formidable foreign aid baget to help achieve international goals such as envi-ronmental improvement and limits on weapons trade? Will they ever open the rice market and thus help resolve a major logism at the GATT negotiations? In modern democracies, issues like that are

usually the province of the elected government. Since that government has such minimal power in Japan, those pending issues of global importance are left hanging in limbo.

T.R. REID writes for The Washington Post

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By David E. Sanger

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OKYO - When the Bush administration began setting its eco-nomic strategy for dealing with Japan four years ago, the American negotiators dispatched to Tokyo would invariably deliver a long, set speech about the dangers of "managed trade." The Japanese would nod in seeming agreement. agreeing that quotas and targets were ideologically impure thoughts for free traders.

These days, few trade officials flying to Tokyo give that speech anymore.

Bit by bit, the United States has come to deal with Japan in a very Japanese way: with a brief nod to the principle of free markets, followed by hard negotiations over some precise sales targets that will be the test of the openness of the Japanese market. So far, trade is managed most closely in antos and electronics, the two biggest components of the still-expanding trade deficit with Japan, But the use of such targets, whether one calls them managed trade or something more diplomatic, is beginning to spread, and a sea change is occurring in the way American policymakers approach trade issues.

The fact is that in dealing with Japan, targets work and nothing else does," a semior American trade official who visits here frequently said not long ago. "In Washington, no one really wants to admit that. But you see it in the positions we end up taking In many respects the change reflects a

growing if unarticulated sense in Washing-ton that Japan really is different and, as a market — was contained in a secret sideletresult, far different techniques are needed to cut through trade barriers that arise more because of tradition and industrial structure than explicit laws and regulations. But it is an approach that may yield more satisfaction in the short term than in the long term. Japanese are beginning to bristle about what they view as a perpetually dissatisfied United States, one that in their view would rather solve problems by negotiating specific market share than improving competitiveness. And European nations are increasingly vocal about being cut out of bilateral trade

deals between Japan and the United States. Japanese have reluctantly concluded that negotiating market shares with foreign nations is a political necessity, simply another cost of doing business. "When you take into account employment and other sensitive is-sues in the United States, especially in autos and electronics, there should be moderate managed trade," said Shinichiro Torii, the president of Suntory Ltd., the Japanese brewer and one of the largest importers of foreign spirits. "But we are hoping that it

will stop there." The clearest example of how far the U.S. administration has turned on this issue lies in the area that American trade negotiators have considered the most critical dispute now on the agenda: semiconductors. When the first semiconductor accord between the two countries was reached in the mid-1980s ter. The secret, not surprisingly, did not last long, and the American trade position looked hypocritical.

By the time the agreement was renewed the market-share targets were made explicit Today, the American approach to the issue hinges almost solely on the market-share figure - it hovers around 14 percent, depending on whose definition of market share one believes - rather than on the identification of market barriers. Several weeks ago, the U.S. trade representative's office began conducting a detailed study on whether Japan is truly trying to meet the 20 percent figure.

HE semiconductor accord served as the model for the deal struck during President George Bush's trip here in January. Under pressure to further open the Japanese car market to imports from the American Big Three, the Ministry of International Trade and Industry braced for the president's arrival by coming up with a magic number - 20,000 more units a year - that the White House announced as 'agreement." More numerical targets were placed on the purchase of auto parts. Asked if this amounted to managed trade, Mr. Bush's aides offered a half-hearted defense, saying that the figures were "voluntary" targets set by the industry, not the government. It is one of those polite fictions that is heard frequently these days in trade discussions. Mr. Bush quickly learned that setting

such goals has its political drawbacks: By naming a specific target, you open yourself to criticism that the numbers are grossly insufficient. Mr. Bush was immediately undercut by the American automakers who accompanied him. They pointed out that the 20,000-unit figure amounted to the equivalent of about three days of Japanese auto exports. "There is no agreement," Harold Poling, the head of Ford Motor Co., said that evening. In the ensuing months, automakers in Detroit and Tokyo have talked about boosting the numbers, with little result. But it is a discussion the Japanese say they feel

"There is the problem of antitrust," said Yutaka Kume, the chairman of Nissan Motor Co. "We cannot be seen to be carving up the market.'

But now the Bush administration is faced with the possibility that the technique it adopted may be taken to an extreme it cannot control. Trade legislation in Congress, which Mr. Bush has threatened to veto, would restrict the sales of Japanese products in the United States, including products made by Japanese transplants, if the United States does not reach specific levels of market penetration in Japan. Democrats are clearly hoping that if Mr. Bush blocks the legislation, he will look weak on trade issues in an election year.

DAVID E. SANGER writes for The New



Office workers in Tokyo's financial district.

# **Investing in Working Mothers**

By Carol Lutfy

OKYO - Yoko Kawashima epitomizes a new breed of Japanese career woman. It's not just that the 30-year-old marketing specialist has earned a spot on the management ladder at C. Itoh Fashion System, a high-profile fash-ion consulting and licensing firm. Or that she earns more money than the average Japanese man.

Ms. Kawashima received a three-month paid maternity leave this year, the first woman in the history of the firm to secure that privilege. She negotiated a 28hour work week, and she was granted a promotion to boot. "The company and I have made an eight-year investment in each other," she said. "Neither side wanted to throw it away.'

Nearly 70 percent of all employers want women to stay longer on the job, according to a 1991 Recruit survey, reflecting a new awareness that nurturing female talent is imperative to tackling Japan's growing labor shortage. But faced with the lowest birthrate -1.53 children per woman — in its history, Japan cannot afford to let women choose between work and

Once considered undesirable, working mothers now represent the single fastest growing segment of the Japanese labor force, accounting for 56 percent of all working women and 22.2 percent of the labor force as whole. "The change in attitude toward working mothers is nothing less than revolutionary," said Sumiko Iwao, professor of sociology at Keio University and an expert on women's issues.

But the demand for working mothers has grown more quickly than an infrastructure to cope with their needs. Up against burdensome working hours, inadequate child care facilities and unsupportive home environments, even Japan's most talented women are still reluctant to juggle children and a career.

Take Keiko Suzuki, a graduate of Tokyo University, the nation's most prestigious four-year college. She is currently on the fast track at Nippon Telephone and Telegraph, where she works in the public relations department with the same pay and responsibility as her male colleagues.

But 27 years old and three months pregnant, Ms. CAROL LUTFY is a journalist based in Tokyo.

Suzuki surprised her superiors late last month by announcing her resignation. "The job takes 100 percent of my energy, which I'll no longer have to devote to it," she said. "I have to start thinking about other

After a generation of encouraging such attitudes, Japanese corporations are now mounting a campaign to counter them. Ms. Suzuki said that her superiors have turned somersaults to try to keep her on the job. They offered me time off and agreed to transfer me to a less demanding department," she explained. "But I think the right thing to do is quit."

A total of 64 percent of Japanese women want to stop working in order to raise their children, according to a study conducted by the Prime Minister's Office; When they return to the work force as so-called "parttime" employees (a term that does not necessarily correlate with the number of hours worked), the vast majority will be asked to accept less pay and less attractive conditions.

NDEED, inequalities persist in the Japanese workplace, where women earn \$.50 to the male dollar (as compared with \$.70 in the United States), a figure that is not bound to increase unless they build up seniority. Although the 1980s have been touted as a decade of great advances for Japanese women, only 31 percent said that employment conditions had improved since the Equal Employment Opportunity Law took effect in 1986, according to a Labor Ministry poll.

What is changing, however, is the society's model of a dutiful woman. Traditionally encouraged to support predominantly male labor force from inside the ie, women like Ms. Kawashima are now respected for their efforts to succeed in both spheres.

Last year, the Japanese Diet unanimously passed a Child Care Leave Law, which requires companies with more than 30 employees to give men and women a year's leave to care for newborns.

Though it's a written law, it's not practiced to its fullest," said Mariko Fujiwara, an executive at the Hakuhodo Institute for Life and Living, "Nothing changes very quickly in Japan."

**TOKYU HOTELS JAPAN** 

# Southeast Asia Feels the Pinch

By Michael Richardson

INGAPORE - Southcast Asia, which looks to Japan for large amounts of investment and trade, is starting to feel the pinch as Japan's longest postwar economic boom comes to an end.

However, the flow of capital and commerce, although sharply lower than six months ago, is still sub-stantial and many Asian executives are confident that the Japanese downturn will only be temporary. Moreover, the Japanese have "al-

ways been long-term strategic nkers," said Imran Ja'afar, managing director and group chief ex-ecutive of Antah Holdings Sdn Bhd of Malaysia. "They have invested in Southeast Asia to make major inroads into the region, not to come in and out for a fast buck."

Japan's direct investment in Southeast Asia is "increasingly driven by the objective of establishing strategic control" of an East Asian megamarket of 600 million consumers that will emerge by the year 2001, said Kenneth S. Courtis, strategist and senior economist with the Deutsche Bank group in Tokyo.

But until the domestic economy shows solid signs of recovery, companies in Japan are holding back from new investments, particularly in countries such as Thailand, where recent political tur-

moil has raised the risk factor. Those Japanese firms that have already invested heavily in the region are taking a more selective approach to plant expansion and

upgrading.
Japanese investments in the Association of Southeast Asian Nations are increasingly targeting domestic markets as well as using the region as a production base for exports, said Harno Nakayama, managing director of the Singa-pore office of Nomura Research

Economic growth rates of the ASEAN countries - Indonesia, Malaysia, the Philippines, Singapore, Thailand and Brunei - remain among the highest in the world. Mr. Nakayama said that the dynamism of ASEAN "is a major trend of the 1990s" and Japanese companies want to be a part of the action.

Economists of the Pacific Economic Cooperation Conference have forecast that the five main

an average real rate of 6.4 percent in 1992 and 6.5 percent in 1993. These projections may prove to be on the high side if the downturn in Japan is prolonged.

The faltering domestic economy has caused a sharp decline in imports from ASEAN since October In 1991, imports were worth \$31.8 billion, while Japanese exports to ASEAN totaled \$37.7 billion. Exports have also been sluggish

since October. This stems mainly from Japan's declining investment in ASEÂN, which has led to a cut in exports of capital goods like machinery and equipment," said a spokesman for the Japan External Trade Organization in Tokyo. A phyage in the value of real estate and other assets in Japan

and mounting debt problems, par-

ticularly among Japanese banks, is curtailing the ability of companies to invest, and banks to lend, off-According to figures issued by the Ministry of Finance in Tokyo, Japanese direct investment in ASEAN countries fell from \$4.7 billion in 1989-90, to \$4 billion in 1990-91 and \$1.7 billion in the

first half of 1991-92. Mann Bhaskaran, economic research director at Crosby Securi-

Japan & Foreign Street Investment in ASPAN 1965 1991 (Ffrat Half) de nations of a Scotlant 86 87 \$1 \$0 \$0 **S**0 \$0 \$0 Indonesia 250 545 588 831 1,105 412 Malaysia 158 163 387 873 725 462 3,694 Philippines 21 72 134 202 258 82 Singapore 302 747 494 1,902 840 286 Thailand 124 250 859 1,276 1,154 487 4,910 Total ASEAN 858 1,524 2,713 4,082 1,729 29,187 Source: Japanese Ministry of Finance

ties Pte. Ltd., said that although Japanese investment in the region is falling, commitments for manufacturing that would help sustain regional economic growth in 1992 and 1993 were already in the pipeline and could not be canceled

He said that while Japan was a significant export market for ASEAN, the United States, the European Community and other destinations accounted for well over two-thirds of sales. However, some Southeast Asian

countries rely heavily on Japan for About 42 percent of Indonesia's exports are to Japan, although

MICHAEL RICHARDSON is the editor for Asia of the Internamost are vital oil and natural gas tional Herald Tribune.

supplies which are unlikely to be

cut back sharply even if the Japa-nese economy fails to surge.

Nearly 20 percent of the Philip-

Willing or not, the ASEAN

pines' exports and 17 percent of

economies have become an integral

part of a production structure that

is emerging in the Pacific region with Japan as its core," said Hadi Soesastro, an Indonesian econo-

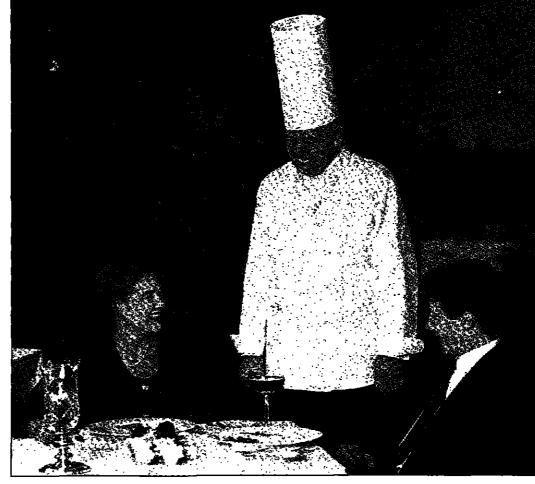
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# Match Yeltsin's Gamble

### Make Support Visible

Boris Yeltsin is gambling heavily on the good sense and good faith of his new American friends. In his visit to Washington last week, he generated an extraordinary wave of sympathy for Russia's people and their new democracy. But the question is whether that wave of sympathy will actually produce results - the economic aid that Russia desperately needs. If the American response continues to be laggard and carping, it will do real damage not only to the welfare of Russia but to the standing of the man who is its president.

Some aid is already moving, but not enough. The terms of more substantial help are now being negotiated between Russia and the donors through the International Monetary Fund, which would provide and manage much of it. Meanwhile, to do the job, the IMF itself needs contributions from all the rich countries. The United

States is moving slowly.

There are two issues. The first is the politicians' issue: How hard will George Bush push to get the essential legislation for the IMF, and how well will Congress respond? Both President Bush and the congressional leaders have said encouraging things in the past few days, but there is still no action.

Then there is the technocrats' issue: How far does Russia have to pursue its economic reforms before the donors can be sure that aid money will be well spent? The technical points are not trivial. For example, the West has pledged a \$6 billion fund to help stabilize the exchange rate of the ruble and make it convertible, with immense benefits to Russia in trade and investment. But at present all of

'No More Lies — Ever'

Enthusiastic shouts from Congress for "Boris, Boris!" ... A historic break-through ou slashing nuclear stockpiles ... Real momentum on approving an aid package for Russia. President Boris Yeltsin's meeting with President George Bush last week moved from success to success. There was only one cloud: the confusion that Mr. Yeltsin himself created on the subject of Americans still missing in action in Vietnam, Korea and World War II. Before the week ended, even that cloud was dispelled by Mr. Yeltsin's unambiguous pledge to pry the truth from the records of the old Soviet gulag. Even members of Congress who threatened to hold up U.S. aid to Russia now seem satisfied with the Russian president's assurances.

In a series of interviews, initially with a Russian newspaper two weeks ago, Mr. Yelt-sin claimed that he had seen evidence that U.S. personnel in various wars had been secretly imprisoned in the Soviet Union. But

the 15 former Soviet republics are still using the ruble, and most are creating money as fast as they feel the need. That is a formula for chaos and hyperinflation. No fund can stabilize the ruble until one central monetary

authority has control of credit policy.

Another technical point is the need to cut the subsidies and credit to the failing factories of the old Soviet state. Another is the need to raise oil and gas prices. Russia needs the foreign aid to buy essential imports. That financing gap would be smaller if Russia could raise its energy prices to world levels and export more of it. But that cannot be done without increasing the strain on Russia's people and further di-

minishing their standard of living.

These points invite compromise — and fast. The attitude in the United States government seems to be that there is no rush, no need to work out the aid-for-reform deal quickly and get more money flowing -certainly not by any artificial deadline like the economic summit meeting early next month in Munich. That is a dangerous misreading of the political realities.

Mr. Yeltsin has made historic conces-

sions to the United States on arms control. He has thrown open the KGB's archives in the search for missing American servicemen. He has bet heavily - perhaps he has bet his political future — on the American response. It is time for the United States to take a chance on him. The terms of aid to Russia need to be finally agreed no later than the Munich summit, and the flow of aid needs to be sharply and visibly expanded. Russians need to see that they can count on the United States.

- THE WASHINGTON POST.

he offered no details. His allegations provoked an outcry among members of Congress who have long blamed successive U.S. dministrations for doing too little about MIAs. Some threatened to hold up aid to Russia until a full accounting was rendered, as if Mr. Yeltsin were somehow culpable.

"I don't really quite understand you, ladies and gentlemen," a perplexed Yeltsin told Congress. He has already opened secret archives, and he promises to account for the fate of every missing prisoner of war and to explain what led to the downing of South Korean Flight 007 in 1985. A joint Russian-U.S. commission is now combing files and searching prison camps, although thus far its investigators say there is no proof that miss-ing Americans are still alive. After hearing Mr. Yeltsin, legislators who had rushed to judgment said they were satisfied with his assurances; well they should be. If his words on MIAs were overstated or premature, his larger message could not be more welcome: "There will be no more lies --- ever."

- THE NEW YORK TIMES.

# First Pay the UN Dues

United Nations, has given his political option credible, he argues, it should be bosses in the Security Council the report they composed of well-armed units of volunteers ordered up in January. Meeting at the sun-ready to go at council command. This is a mit level, they had asked him to outline how necessary element to inject into what will the United Nations, freed from a Cold War inevitably be a protracted debate. The confrontation that produced 279 council vetoes, could better contribute to peace. Mr. Butros Ghali now responds in the can-do spirit of the day. The United Nations can prevent conflict, stop it if it starts and mend it, he says, if it takes up the job and — the

truly sensitive point — if it will pay the bill.

Mr. Butros Ghali is committed to an expansive internationalist vision of the uses a fully formed UN force standing by? of the United Nations: He would have member states yield "some sovereign prerogatives to larger, common political asso-ciations." His view of the United Nations' actual functioning rests heavily on the role of its bureaucracy, but you would expect no less from the secretary-general. He is in a good position to set the large scene. His sistence that the United Nations can mobilize the requisite resources, experience and skills to soften the strains of international life seems to us unanswerable.

Especially valuable is his recognition that a capacity for the employment of force is the key to giving the assorted tools of diplo-

Butros Butros Ghali, top bureaucrat at the macy their best chance. To make a military United States, for one, has shied from putting international forces on anything close to automatic, lest they cramp American flexibility. An answer to that is that preserving such flexibility can invite an aggressor to see what he can get away with. Would Yugosla-

> But all of this is so much talk if the members of the United Nations do not meet their bills. In this shameful category of keeping the international body on starvation rations, the United States is unfortunately the world's leader, Mr. Butros Ghali passes on a covey of suggestions on how to close the financial gap. Among them are moving UN payments to the politically safer haven of members' defense budgets and putting levies on arms sales and international air travel. But these are palliatives. There should be no gimmicks here. The operative requirement is: Pay up.

- THE WASHINGTON POST.

# Other Comment

### Call the Khmer Rouge Bluff

True to its image, the Khmer Rouge has proved once again that not much can be expected of it, particularly the ability to keep its word. Under the second phase of the peace plan signed in Paris last October. the four Cambodian parties were to regroup, disarm and demobilize their armies so as to create proper conditions for general elections planned for 1993. But as soon as the phase went into operation [on June 13], the Khmer Rouge refused to give up its weapons, arguing that Vietnam, in violation of the Paris agreement, had not withdrawn its troops from Cambodia.

The Khmer Rouge could have a point about a continuing Vietnamese presence, not so much in terms of soldiers as of a sizable number of settlers who came in following the Vietnamese invasion and are today allegedly passing themselves off as Cambodians, These Vietnamese would vote for the Hanoi-installed Phnom Penh government, putting into question the fairness of next year's election. However,

the Khmer Rouge has given no proof of the scale of the Vietnamese presence. Why is it that the Khmer Rouge has waited till the beginning of the peace plan's crucial second phase to make Vietnam's alleged noncompliance a sticking point?

Instead, the Khmer Rouge's approach suggests that it is using the Victnamese settlers as an excuse to resume its familiat ways. Frightened about its chances at the polls, it wants to frighten Cambodians to get their support. And the best way to do that is to resume the fighting while world attention is diverted by crises elsewhere, notably in Yugoslavia, and Cambodia fatigue sets in among those who have labored to bring about peace. It is possible that the Khmer Rouge is using the issue of Vietnamese settlers as a tactical, rather than a strategic, tool, trying to wring out every concession it can from the other parties. In that case, too, it is time to call the Khmer Rouge bluff. The world has invested too much in peace for Cambodia to be held hostage by a gang of cynical guerrillas.

- The Straits Times (Singapore).

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# **OPINION**

# What Armed Force Can Do, Sanctions Can't

WASHINGTON — Just a few weeks after the Gulf War, I was startled to hear Martin Indyk, executive director of the Washington Institute for Near East Policy, suggest that Saddam Hussein would be in power longer than George Bush. I am no great believer in sanctions, but even I thought that with Saddam's military and economy already in ru-ins, sanctions would finish him off.

And yet after almost a year and a half of the most severe sanctions in history, applied to a country devas-tated by war, U.S. intelligence agencies report that Saddam is stronger today than he was a year ago.

The ineffectiveness of postwar sanctions makes risible the contention of Democrats and others (including Ross Perot) that prewar sanctions would have beat Saddam to America's will. But the significance of the Iraqi sanc-tions failure goes far beyond Iraq. It goes to the very idea of sanctions. After all, the fancy for sanctions is

being indulged in other places, too. In Haiti the United States is destroying an economy in order to change a government. And in Yugoslavia a total United Nations embargo, almost as severe as Iraq's, has been imposed to get Serbia out of Bosnia. Will these sanctions work any bet-

ter than Iraq's? The Haitian regime seems quite prepared to see its population starve (or put out to sea) before it relinquishes power. And the Serbi-an regime shows no signs that eco-nomic privation will deter it from seizing its historic chance to realize its dream of Greater Serbia.

No surprise here. U.S. sanctions against Manuel Antonio Noriega all but destroyed Panama's dollar-denominated economy — without dis-lodging General Noriega. It took the 82d Airborne to do that. The U.S. embargo of Cuba has seen seven presidents come, six go, and Fidel Castro endure. Halfhearted sanctions against the Soviet Union for Afghanistan and against China for Tiananmen amounted to nothing.

Why are sanctions so ineffective? In Iraq, Haiti and Serbia, the common objective is to effect a change in government. The idea is to create such misery that the people rise in desperation to throw off the rulers who have caused them such distress. Unfortunately, things do not work that way. niserated populations do occaBy Charles Kranthammer

sionally rise in revolution, but the timing and cause of revolutions are so mysterious that we rarely understand them when they occur, let alone antici-pate them. Consider the East European revolutions of '89 and the Soviet revolution of '91. The idea that you can produce a revolution at will by external coercion is simple fantasy.

The fantasy is encouraged by a larger fantasy, namely, that now that the Cold War is over the world has en-tered an era in which economic power counts for more than military power. The geo-economic fallacy assumes that in a post-ideological era the whole world becomes like the West, a sea of bourgeois consumers whose behavior is rationally modulated by economic incentives and disincentives.

Alas, the whole world is not like us.

And "bourgeois consumer" is a particularly mapt description of the thugs who run Iraq, Haiti and Serbia. Thug regimes are interested in power above all else. They are dissuaded and deterred by power, not by the promise or denial of material comforts. Power, specifically military power, has always been decisive in international relations, and despite the wish that we have now outgrown it as a

species it remains so.

Does the United States want to really help Harri? Everyone knows that there is but one way. Send the Marines and take over the godforsaken place — as Americans did, once upon a time and with somewhat more provocation, in Germany and Japan. Want to help Bosnia? The only real

way is to do what the president of Bosnia has been pleading for Wash-ington to do: Send the Air Force. As for Iraq, everyone now realizes that the way to get rid of Saddam was either to have gone to Baghdad or, more wisely, to have given decisive military assistance (including air covered to the Saddam was the Saddam was stated and the Kurd rehelped to the Saddam was the Saddam was the Saddam was stated to the Saddam was the saddam was stated to the Saddam was the saddam was saddam w er) to the Shiite and the Kurd rebellions that America encouraged and then betrayed after the war.

Some crises warrant the risk of military intervention. Some do not.

But the question of which and whether cannot be honestly approached until we are disabused, once and for all of the notion that in sanctions we have a cost-free, risk-free alternative. Sanctions may be (relatively) cost-free and risk-free, but they are no alternative to military action.

Sanctions can make a point. And sometimes making a point is all that one can do. Sanctions against South Africa were justified not because they would work but because it was important for the West to make plain its tant for the West to make plam its refusel to be complicit with spartheid. Sometimes, too, sanctions can keep bed from getting worse. The embargo on Iraq, coupled with intrusive inspections, is making it harder for Saddam to rebuild his nuclear program.

But that is as far as sanctions go. We are not in an era of geo-economics. We are in the same force-dominated era that we were in a hundred, a thousand years ago. If you want to stop an aggressor nation or dislodge a regime, there is only one reliable way to do it. Everything else is evasion.

Washington Post Writers Group.



# But Who Really Needs 3,000 Nuclear Warheads?

WASHINGTON — The huge arms cuts agreed to by George Bush and Boris Yeltsin are bold and good and may meet the political possibilities of the moment. But they contain weaknesses and will be under stress over time.

These cuts register some of the major strategic implications of the fading of the Cold War. They greatly reduce the nuclear firepower that the two countries have on hand to train against each other or anyone else. They slow the march of technology related to weapons. Their scope is dramatic — a necessity to comfort democratic publics. Real sav-ings in risk, tension and spending should follow.

But the announced cuts do not rest on any theory that would justify one level of arms or another. The current level of 10,000-plus warheads apiece is mindlessly high. The new numbers are dramatically (two-thirds) lower but still mindlessly high and no better connected to military rationality or strategic purpose. They will invite chal-lenge on the twin bases that no country can justify a need for 3,000 to 3,500 warheads by the year 2003, and that meanwhile the cause of nuclear nonproliferation is poorly served.

As the Cold War ended, the United States had

two broad nuclear choices. The one George Bush has taken allows him to satisfy important strate-gic, political and budgetary needs by making deep cuts and by carving the first-strike heart out of the Soviet arsenal. He preserves a formidable force against revival of a large Kremlin threat or

appearance of some other threat.

He also preserves the premise that nuclear power is what counts in international politics. For Mr. By Stephen S. Rosenfeld

Bush, the military contingencies in which nuclear arms might be fired or wielded may be hard to define, but the political uses of nuclear power in assigning status, protecting national interests

or managing crisis — are prized.

Do not dismiss this approach as merely the Do not usumes use approximate The premise of nuclear utility is all too appealing to some non-nuclear states.

Still, a case can be made that in the new world disorder, America, as a great power tested and accountable to a democratic electorate, has a responsible role to play and must be suitably armed. The Bush administration's discreet and deniable flashing of a nuclear card in the Gulf War to warn Saddam Hussein away from special-weapons adventures was a working example.

The road that President Bush has not taken,

however, has its own logic. That way lies not merely a substantial reduction but the near destruction of the nuclear apparatus assembled over the last half-century. By this I mean the dismantling of weapons and of their component industrial parts and the altering of war plans and international politics alike to write out the nuclear element in the current equation.

Sometimes this approach comes wrapped in the scarcely hidden and off-porting idea that the Unit-ed States sinned by creating the bomb and remains

an unworthy wielder of power. Forget that.
Still, there is a serious argument that the totali-

tarian threat that led the free world to build the bomb has now been tamed. It is further and persuasively argued that the new threat of proliferation, plus treaty obligations, compel the nuclear states to move toward the nuclear exit, the better

states to move toward the micrear exit, the better to keep others from entering by the other door.

How does the United States, with upward of 10,000 or 7,000 or "even" 3,000 strategic warheads in its pocket, make the point that one warhead in a Libya's or Iraq's pocket is one too many? It is so, and it is generally accepted that a Libya or Iraq is more dangerous. But it is not going to be easy to bring along the miscreants or the many other states whose political or economic concertation in states whose political or economic cooperation in enforcing nonproliferation is required

The now-gone Ronald Reagan and the nowtarnished Mikhail Gorbachev shared an odd emotional attachment to the notion of nuclear abolition. They might have been better paired to work for truly deep nuclear cuts. Mr. Bush and Mr. Yeltsin are cooler and more pragmatic. But that does not mean they could not be drawn toward a nuclear force that serves deterrence at a reasonable level and nonproliferation, too.

What might that be? The hard-line hero of the new novel ("Hard Line") by former Reagan Pentagon official Richard Perle suggests that in a disarmed world Moscow's squirreling away of "a few hundred, even a few dozen" weapons would leave the United States "hopelessly vulnerable." And presumably vice versa. A lew hundred, a few dozen - is this the

force of the future?

The Washington Post.

# Washington and the Arabs Are Waiting for Rabin

WASHINGTON — In the last two years, Israel has experienced both war and peace, or at least a peace process. And the collapse of the Soviet Union has allowed hundreds of thousands of Jews to emigrate to Israel. Presiding over these dramatic developments has been crusty Yitzhak Shamir, whose strong-est suit, say his friends, is consisten-

If Rabin roins, strategists expect much cooperation, not only from the new Israeli team but from the Arabs as well.

cy. This very stolidity, which once benefited Israel and served U.S. interests, no longer appeals to the Bush administration. In fact, a top priority for the administration is Prime Minister Shamin's defeat in Israel's elections on Tuesday.
His erstwhile American friends say

the sooner he leaves office the better. No foreign leader has been more crucial to U.S. success in the Middle East, yet administration officials no longer commend him, as they once did almost daily, for his remarkable forbearance in the face of Iraqi missile attacks. Officials who congratulated him for statesmanship in agreeing to participate in their carefully crafted peace process now join with his Arab interlocutors in declaring that any conceivable replacement

would be an improvement.

No one, of course, will say this for the record. Arab diplomats observe the niceties by stating their prefer-ence for his chief opponent, Labor's Yitzhak Rabin, only on background. Their enthusiasm for Mr. Rabin may have been tempered by his efforts to match Mr. Shamir's tough image. But, as one top State Department planner said, "Only a fool would try to pretend that everyone who cares isn't praying for Rabin's victory."

By Richard B. Straus

According to Bush administration officials, the best that can be said of Mr. Shamir is that he has outlived his usefulness. The more often heard sentiment is that he is impossible to deal with. "He is an ideologue, pure and simple," says one State Depart-ment Middle East expert, who then adds what he considers a more damning criticism; "He is incapable of making a deal based on Israel's security needs."

Not even his foes would consider Mr. Rabin, an architect of Israel's spectacular 1967 victory over the Arabs, anything less than a first-rate analyst of Israel's security requirements. An Arab ambassador pays him the compliment of calling him "more dangerous" than any other Israeli leader. "As a strategist," explains this diplomat "he will know how to shape and present policy to increase Israel's power and buttress Israel's relationship with the United States."

Administration officials acknowledge the likelihood of improved U.S. relations with Israel should Mr. Rabin triumph. They see his views as much closer to their own. Where Mr. Shamir and his aides grudgingly dickered with Palestinians over an inter-im agreement, Mr. Rabin urges im-mediate implementation. Where Mr. Shamir and Likud assert Israel's right to all of the occupied territories, Mr. Rabin and the Labor Party reiterate their long-standing commitment to

territorial compromise." While no one would accuse Mr. Rabin of being charming, adminis-tration analysts are certain there will be a vast improvement in atmosphere. They expect, at least to begin with, none of the debilitating person-al animus that has come to dominate the working relationship between Mr. Shamir and team and Secretary of State James Baker and his key aides. The dream scenario is for a Rabin victory so complete that he would be

able to form a new government with-in 10 days. Should that occur, ad-

ministration insiders say they would

scramble to arrange another round of peace talks in Rome in July they are now tentatively scheduled for the fall. Then Mr. Rabin would be invited to Washington where he would receive the keys to the city and — something a bit better — access to \$10 billion in loan guarantees for the resettlement of Jews from the former Soviet Union.

A more realistic appraisal suggests that, while Mr. Rabin is likely to become prime minister, he will have to form a "National Unity Government" with Liknd. The most important question then will be whether he has to "rotate" leadership with Mr. Shamir - as his predecessor, Shimon Peres, was forced to do after the inconclusive 1984 elections. In that case, all bets are

off, say State Department analysts.
If Mr. Rabin emerges with at least a qualified win, administration strategists expect much cooperation not only from the new Israeli team but from the Arabs as well. The Arabs want to help Bush," asserts one State Department official.

It is a given that, if progress in the peace talks requires Mr. Rabin's election, then their existence needs four more years of President George Bush and Secretary Baker. While some of America's Middle East alhes have special reasons to want Mr. Bush's re-election, all the Arabs who signed on to the U.S. peace initiative did so on the assumption that Mr.
Bush and Mr. Baker would be
around to see things through.
Middle Easterners assume that a

new administration would need at least a year "to get up to speed" on the intricacies of Middle East peacemaking. Moreover, it has not been lost on the Arabs that Bill Clinton has been making all the right noises to attract the Democratic Party's traditional Jewish constituency, which is

unnerved by the lack of comity be-tween Mr. Bush and Mr. Shamir. Still, some Arab observers do pur-

port to see in Mr. Clinton's rhetorical

stance shades of another Southern governor, Jimmy Carter, whose sym-pathy for the underdog brought him to promote Palestinian rights within two months of taking office.

As for Ross Perot, a story making the rounds at the State Department suggests an even narrower, if no less trenchant, political analysis of the Middle East. During a nonpartisan foreign affairs briefing, Mr. Perot was informed that, in light of Mr. Bush's political and military leader-thin desire the Call West and Mr. ship during the Gulf War and Mr. Baker's diplomatic gyumastics in bridging Arab and Israeli hostility, there was little to criticize about administration Middle East policy. Mr. Perot's reported rejoinder: why are the Jews so upset?

The writer is editor of the Middle East Policy Survey. He contributed this comment to the Los Angeles Times.

sional statute must be respected.

The kidnapping case, then, is only the latest manifestation of an important trend in the present court, one that I regard as profoundly danger-ous. That is the exaltation of presidential power — above Congress, above individual rights.

There was a certain irony in the fact.

that the kidnapping case was decided in the week of the 20th anniversary of the Watergate break-in. Watergates should have taught Americans, if anypresident and his agents.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

### 1892: Artist and Thief

PARIS - The committee of the

Champs-Elysées Salon were aston-ished when it was reported that a canvas had disappeared from the walls of the exhibition, and that nothing but the frame remained. They made inquiries and they found that the frame had contained "Lithat the frame had contained "Li-liane," a canvas by M. Claude Bourgonnier. And when they inquired of the artist himself what it all meant he replied that as they had so little consideration for his work as to hang it badly - in bad light - he had taken the most expeditious way of withdrawing the picture.

1917: Wilson's Decision NEW YORK - President Wilson has just put a stop to the revictualling of Germany through neutral chan-nels by placing an embargo on food exports. Thus the neutrals will be

rationed in proportion to their populations, while if abuses continue in

any country the supply from America. any country me supply from America, will be cut off entirely. The President yesterday [June 20] decided immediately to put into effect the clause of the Espionage Law which permits him to take this step.

1942: A Secret Meeting WASHINGTON - From our New

York edition:] While official secrecy, continues to shroud the Roosevell-Continues to shroud the Roosevell-i Churchill conversations now being held "somewhere in the United-States," opinion here was agreed to-day [June 21] that special signifi-cance and importance had been con-ferred on them by the present turns of events and that the British Prime." Minister could hardly have charges? of events and that the Brush rume Minister could hardly have chosen a more timely moment to carry on his war talks with the American Pren-dent. The fall of Tobruk today and the menace of Sevastopol, on the ever of the first aumiversary of the invasion of Russia, have crowned a scried of military reverses for the United Nations this year.

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By Anthony Lewis

BOSTON — Nothing the Supreme such widespread outrage as its decision that the U.S. government had the right to kidnap a Mexican suspect and bring him to the United States for trial. Governments from Switzerland to Argentina protested. The Economist, that most pro-American paper, said the decision made America "a

sponsor of vigilante values." But much of the reaction has missed a central point. The critics seemed to believe that the Supreme Court invented a legal theory to justify state kid-napping. To the contrary, the theory was invented, and zealously promoted by the Bush administration's lawyers. The Supreme Court ratified the

Bush kidnapping doctrine.

And that is where the crucial significance of the case lies. It is another example of the current court's tendency to uphoki whatever the executive

branch says is the law.

And what was involved was not some long-standing legal doctrine in the executive branch, supported by different administrations over many. years. It was a recent reinterpretation - indeed, reversal — by the Bush

In 1980 the department's Office of Legal Counsel issued an opinion that U.S. kidnappings of suspects in for-eign countries were unlawful. In 1985, during the Reagan administration, the legal adviser to the State Department. idge Abraham Sofaer, was asked about the kidnapping idea at a con-gressional hearing. He replied: "How would we feel if some for-

eign nation ... came over here and seized some terrorist suspect in New York City, or Boston, or Philadel-phia ... because we refused through the normal channels of international. legal communications to extradite that individual?"

Then, in 1989, the Bush administration's assistant attorney general in charge of the Office of Legal Counsel, William P. Barr, wrote a new opinion saying that the FBI could legally sezze suspects in foreign countries. Mr. Barr

is now attorney general.

This Bush version of the law is what the Supreme Court approved. The decision cleared the way for trial before a U.S. court of a Mexican doctor accused of taking part in the munder of a U.S. natcodes agent. The Drug Enforcement Agency offered a \$50,000 reward for the doctor, and Mexican

bounty hunters seized him in his office and flew him to El Paso. Chief Justice William Rehoquist. for the majority, said the kidnepping may well have been "shocking" and may well have been "shocking" and
"in violation of general international
law principles." But a U.S. court still
had the right to try the suspect, he
said, unless his kidnapping violated
the extradition treaty with Mexico—
and there was no violation because

"the treaty says nothing about the obligations" of the two commiss. "to refrain from forcible abductions." Reading the chief justice's opinion, one almost gasps at that point. For what it assumes is that diplomats from the United States and Mexico solemnly negotisted a long, detailed extradition treaty while having in mind that the treaty could be ignored and sus-

pects simply kidnapped.

As Justice John Paul Stevens said in dissent, joined by Justices Harry Blackman and Sandra Day O'Connor, that reasoning converted the extradi-tion treaty into "merely an optional method." The treaty's careful rules allowing a state not to extradite suspects for various reasons — that they have already been tried, for example — become "little more than verbiage."

Two years ago the Supreme Court similarly upheld a radical reinterpretation of the law by the executive branch. That was in the abortion gag-rule case, Rust v. Sullivan. For 17years doctors in family planning clin-ics aided by lederal funds had been free to discuss abortion with patients. although not to perform abortions, although not to perform abortions.

Then, in 1988, a Reagan administration official issued regulations banning even discussion. The Supremacount said that recent executive rem terpretation of the underlying congres-

The New York Times.

# CAPITAL MARKETS

# The Dog Days of Summer Starting Early for Dollar

By Carl Gewirtz

mational Herald Tribune ARIS — Having digested a record volume of new issues during the first half of this year, the international capital market appears headed for an early summer recess with reduced business as investors move to the sidelines waiting for a clearer view on the future of European monetary union and the outlook for the dollar.

The Ecu and other high-yielding European bond markets, hit badly by Denmark's rejection of the Maastricht Treaty, firmed following Ireland's approval of the pact last week. But the outlook for a sustained recovery, analysts agree, is limited by the remaining hurdles — the French referendum in early autumn, British and German ratifica-

It's too expensive to

the dollar with

speculate on a rise in

German rates so high.

tion and, not least, a way to reintegrate Denmark since unanimous approval is re-

"The European markets have stabilized," said Michael O'Hanlon, London-based analyst at Kidder, Peabody, "but they can't move materially

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ahead" until the remaining obstacles are cleared. At the same time, demand for U.S. dollar paper is being tempered by the prospect of sustained weakness in the currency. Bankers report that dollar-based institutional investors are relatively indifferent to developments in the foreign exchange market and are active buyers of long-term paper, but they say interna-

tional investors are shunning the sector.

Analysts agree that in addition to worries about slow U.S. growth and a possible further cut in U.S. interest rates, the dollar is suffering from the "Perot effect" — the likely candidacy of Ross Perot in the presidential election and the possibility that a three-way race will end in stalemate with no one winning a majority in the electoral college in November. In that event, the House of Representatives installed in early January would elect

David Morrison, London-based analyst for Goldman Sachs, sees the dollar range-bound, between the low 1.50s to the mid-1.60s against the Deutsche mark. "The earliest we could see enthusiastic dollar is September-October, at the first prospect of a cut in rates by the Bundesbank, and the latest in January, after the U.S. election is sorted out," he said.

EORGE MAGNUS, at S. G. Warburg in London, observed that "a really strong" U.S. recovery could provide a jumping board for the dollar. But, he added, the current prospect of not much more than 2 percent growth "is already fully discounted and not really enough" to lift the dollar. He sees it trading at new lows against European currencies by end-year. . The prospect of an election stalemate would be "further evidence of political paralysis," he added, and could be the

prigger sending the dollar skidding.

Paul Chertkow, London-based currency analyst for Union Bank of Switzerland and a long-time dollar bull expecting to see it at 1.80 DM by year-end, now sees "very limited momentum" for the dollar to move up until German interest rates start to

The cost of speculating on a rise in the dollar is simply too expensive, with short-term German rates about 6 percentage points higher than dollar rates.

"The upside potential for the dollar prior to the election," he added, "is further reduced by the political uncertainty. Unless the economy is considerably stronger than it now appears, the political uncertainty" of the election passing to the House "could canse very significant dollar sales.

"If the economy was growing sharply, the Federal Reserve would be able to counter a weak dollar by raising interest rates. But if it was no stronger than now and inflation remained under control, it would be difficult for the Fed to raise rates simply to support the dollar," Mr. Chertkow said.
"That policy could be interpreted abroad as one of benign

neglect and that could intensify dollar selling."

Or, as Jonathan Wilmot of Credit Suisse First Boston in London put it, "economic fundamentals argue for a recovery, but politics argue for further weakness" of the dollar.

Both Mr. Wilmot and David Hale at Kemper Financial Services in Chicago also stress the fallout on foreign markets from either a victory by Mr. Perot or success in his attempts to push the other candidates into adopting a more protectionist position on

"If the United States were to pursue more protectionist trade policies and abandon the free-trade agreement with Mexico, there would be an immediate crisis in the stock markets of Mexico, Hong Kong, Japan and other countries which are highly sensitive to U.S. trade policy," said Mr. Hale.

While the overwhelming mood in the foreign-exchange market

See DOLLAR, Page 13

### **CURRENCY RATES**

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98-day 1,8876 1,5941 1,4390 20-dery 40-dery 1,86% 1,979 1,57% 1,986 1,4263 1,4336 (Amsterdam); Indoeste para co-nade de Paris (Paris); Bank of Tokyo ( Americano Bouters and AP.

### Last Week's Markets

| All figures :                                                                    | are as of            | close of trading                                                                                                                  |                                                                                                                                 |                                              | -                                                   |
|----------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|-----------------------------------------------------|
| Stock Interest DJ Index. DJ Index. DJ UTIL. DJ Trons. S& P 100 S& P 500 S& P 1nd |                      | June 12 Chree<br>2,354,36 — 2,1 %<br>214,07 — 0,35 %<br>1,346,23 — 1,36 %<br>49,76 — 1,51 %<br>483,35 — 1,70 %<br>225,51 — 1,60 % | Michey Rates  United States  Discount rate  Prime rate  Federal funds rate  Jares  Discount  Constitutionary  3-month interbank | June 19<br>3½<br>6½<br>39/16<br>3%<br>421/22 | June<br>37/<br>3 11/1<br>3 11/1<br>4 11/1<br>4 22/3 |
| NY3E CP<br>Sylletin<br>FTSE 100<br>FT 30<br>Alexan                               | 2.584.80<br>2.004.60 | 2.601.700.71%<br>2.625.300.92%<br>17,3844.97%                                                                                     | Germany Lombard Coll money 3-month interbank prints                                                                             | 94<br>945<br>94                              | 994<br>9.63<br>994                                  |
| Ogranen<br>DAX<br>Hees Kees                                                      | 1,772.89             | 1,70227 —0.51%<br>5,819,87 —0.51%                                                                                                 | Book base rate<br>Call money<br>3-month interbank                                                                               | 19.59<br>10%<br>10 1/16                      | 18 1/14                                             |
| Hang Sens<br>World                                                               | 5707.60              | -270%                                                                                                                             | London p.m. fix \$ 363                                                                                                          | 19 June 1/<br>5 339,60                       |                                                     |

# **Business** Poll Led By Japan

U.S. Falls to 5th In Competitiveness

GENEVA - Japan remains the world's most competitive country while the United States has fallen from second place to fifth, according to an annual survey to be published Monday by two Swiss-based

The World Competitiveness Report said Germany had risen from third to second place despite the cost of reunification. Using statistics and responses to

surveys mailed to 18,000 executives around the world, the report compiled jointly by the World Economic Forum and the International Institute for Management Development sought to rank national environments that were most conducive to the competitiveness

of companies operating there.

Denmark made the most improvement, rising from eighth to fourth, but the report said this placing could be jeopardized by its rejection of the Maastricht treaty. Denmark's young people were rat-ed more work-minded than anywhere else.

Singapore headed the list of new-ly industrialized countries. The report covers 37 countries.

The report said the strength of the Japanese economy was un-matched, although in decline. In terms of integration in the international economy, Japan dropped from first to sixth because of national protectionism and the slowing of export growth.

"Japan's lead in management, research and development and education remains unchallenged, even though the Japanese people are becoming impatient with the tradi-tional hard-work lifestyle," the

Paris Notebook

community since he let on a few weeks ago er discussions.

1995, even if I have one chance in a thousand

management that has brought the maker of

Pengeot and Citroën cars back to financial

strength in recent years. But his strong, some-

times extreme views on Europe and his

vociferous opposition to further entry into Europe by Japanese automakers have put him on the margin of political thought within

"It's a joke," said one Paris stockbroker.

"Here's a guy who argues that auto pollution can't be bad for the forests, otherwise trees

wouldn't grow alongside highways."

But there could be a silver lining in a presidential bid, which would necessarily force Mr. Calvet to step down from PSA. "Calvet has done an awful lot for the compa-

ny, which is now perhaps the strongest auto-maker in Europe, "says a London auto indus-try analyst. "But his political outbursts have been a depressing factor on PSA's share

With the government of Prime Minister Pierre Beregovoy raising the possibility of resuming privatizations after next year's leg-islative elections, some believe the state-

owned carmaker Renault could be in a good

The company has turned in a good finan-

cial performance despite tough market condi-tions, and it has had successful new products,

particularly the R-19, which is doing very well in Germany, and the Clio, a success

throughout Europe. This fall it will launch a high-volume small car, which sims to show

that Renault has innovative product ideas. By

position to hit the auction block.

the French business community.

A Renault Sell-Off?

Mr. Calvet is known for an iron-fisted

# Chrysler to Stay Independent **Future Chief Sees No Necessity for Alliance**

By Doron P. Levin New York Times Service

DETROIT - Robert J. Eaton, the former executive at General Motors who will become Chrysler's chief next year, expressed certainty that the No.3 automaker could survive without a merger or

Mr. Eaton, currently chief operating officer of Chrysler Corp., said in an interview that the com-pany's new products, leaner manufacturing operation and a recovering economy "mean we can strengthen ourselves so we don't have to look to anyone." The man he will succeed as chairman, Lee A. Iacocca, pursued merger talks with Fiat

For Chrysler to remain independent, Mr. Eaton said, "We have to pay attention to the fundamentals of the business, generate adequate profit and pay down our unfunded pension liabilities," which are about \$4.4 billion.

With the impending retirement of Mr. Iacocca, the industry's most outspoken critic of American trade policy, Mr. Eaton hinted that he might be

ready to step into that role.

"This industry and manufacturing in general has been deteriorating for the last 10 years because of a nonlevel playing field the country has been willing to permit," he said.
"I would hope this country would talk about the trade deficit," he said, adding that in his opinion it

cannot survive as a leading nation unless trade policy is changed along the lines of the European Community's cap on sales by Japanese automakers. He helped formulate the European response while working for GM in Europe.

On the other hand, he supports free trade with Mexico, which the United Automobile Workers union opposes.

Mr. Eaton said that next week he would review

final details before the production start for new midsized car models at a plant in Bramalea, Ontario. Named the Chrysler Concorde, Dodge Intrepid and Eagle Vision, the cars are as important to the antomaker as the celebrated K-cars were to the rescue of Chrysler in an earlier decade. Although Chrysler's balance sheet remains

weak, Mr. Eaton has arrived at a moment when the company's prospects for health and independence are better than they have been in several years. The new Jeep Grand Cherokee is selling briskly, prototypes of the midsize cars have received glowing reviews from automotive writers and sales of Chrysler's stalwart minivan are holding up despite

growing competition. Consequently, the price of Chrysler's common

If it was meant as a trial balloon, it has taken flight more like a bowling ball. Unlike Ross Perot, the billieuaire businessman who has captured the support of more than a third whether or not Renault and Sweden's Volvo

of the U.S. electorate, Peugeot SA's chair- AB can find a way to join forces. The two man, Jacques Calvet, has drawn little more companies, which already have a limited

than bemusement from the French business cross-shareholding arrangement, are in merg-

A Businessman, Yes, but He's No Perot

partial sale of Renault stock to a French

institution — a way for the government to

Euro Disneyland shareholders should

strap themselves in for a roller-coaster ride

for the next six months as the market tries to discern how well the new theme park near

Paris is catching on.

So far, the ride has been a dizzying free-fall, with Euro Disney's shares losing a third of their value after cresting at 165 francs in March. On Friday, they closed at 112.5 francs.

The decline wasn't halted earlier this

month when the resort's management, badgered by a rumor mill which spoke of disas-

trous attendance, broke with Disney custom and issued a statement affirming that "more than a million and a half people" had passed through the turnstiles since Euro Disney's

opening April 12. That would work out to around 30,000 visitors a day — more than the

20,000-25,000 estimated by analysts, but still less than the high-season level of around 40,000 believed needed to achieve Disney's

first-year attendance goal of 11 million.

cw-1 Joe Hall, analyst with Bacot-Allain-Farra in Paris, says his best guess now is that

Disney will miss its target by up to 9 percent, ending the year with 10-10.5 million people.

Also deflating the stock was the announce-ment that the opening of a movie theme park, was being pushed back a year, to 1996, be-cause of administrative delays linked to re-

gional elections this spring.

Though analysts believe the stock is now

close to its real value, there could be plenty of twists and turns before the next numbers are

raise money to fund unemployment benefits.

A Disney Ride

stock has more than doubled since Dec. 20, when it traded at \$10 a share. The shares closed Friday at \$21.375 each, up 25 cents, on the New York Stock

Mr. Eaton played down the significance of re-cent gains in market share by the Big Three, at the expense of the Japanese. He said he did not think the Japanese share would keep falling

They can react quickly and powerfully," he said. "They have problems at home. You saw them respond to a weakening yen in the mid-1980s by lowering costs, and they'll do the same thing again. But it's pleasant while it lasts."

The collapse of the Tokyo stock market, falling real estate prices and higher capital costs have forced Japanese automakers to raise prices. Mr. Faton expects they will soon cut costs and begin a drive to increase their share again.

He expects Toyota Motor Corp. to introduce a

This industry has been deteriorating because of a nonlevel playing field the country has been willing to permit.' Robert J. Eaton

new pickup this year that will compete with a new Chrysler truck that will be brought out next year. Toyota has delayed introduction of the truck because of political pressure and concerns about

Capping more than a year of uncertainty over executive succession, followed by the surprise defection of Mr. Eaton from GM, his comments suggest that he is swiftly assuming authority over daily operations as well as Chrysler's strategic

"Chrysler is in excellent position," he said, "getting through this recession without cutting any of its spending on new products."

Moreover, Mr. Eaton has managed to avoid so far the political bloodletting that accompanies some executive successions in Detroit.

His rival for the top job, Robert A. Lutz, has been widely quoted with praise for the new chief executive. Industry executives and analysts had wondered whether Mr. Lutz, Chrysler's president, would remain with the corporation.

be anecdotal — and thus dubious — assessments of crowds and the mix of languages

heard at the park. French visitors are sup-

posed to make up half the customer base, but

have reportedly been slow to try the park up to now. And even if attendance is less than

anticipated, higher spending by those who do

The French Stock Exchange wants to

The Marché des Options Negotiables de

The idea is to attract investors to the

Paris is planning pilot programs this fall to

educate small investors about stock options.

It will be working with large banks, targeting

MONEP who, up to now, have been speculating on the monthly settlement market, which is set to be phased out next year.

But the complexities of the derivatives

market, the high risk and the high entry price
— at least 20,000 francs (\$3,775) — should

discourage most individuals, insiders say.

The MONEP has grown fast among

French fund managers, who see its flagship product, the CAC-40 index option, as an ideal tool for covering themselves on the

French market in times of turmoil. For for-

eign investors, the index option offers a way

to buy a position on the market without

having to think much about individual

Soviet coup, trading volume in the CAC-40

option soared 54 percent, to about 3.8 million

francs. This put it in fourth place worldwide, though far behind Japan's Nikkei 225 and Chicago's S&P 100 and S&P 500, the first

Jacques Neber

In 1991, propelled by the Gulf War and the

spread the gospel of its 5-year-old options market to individual investors, but insiders

**Downmarket Options** 

don't expect many easy converts.

well-heeled customers.

point out.

# IBM, Toshiba **To Join Forces** On New Chip

By Andrew Pollack New York Times Service

TOKYO - IBM and Toshiba Corp. are planning to join forces in one of the fastest-growing seg-ments of the semiconductor business, industry executives said over the weekend.

The two companies are expected to jointly develop flash memory chips, a relatively new type of chip that has the potential to take the place of magnetic disks for permanent information storage in computers. IBM and Toshiba are also expected to cooperate in developing products that use such chips.

In a departure from past practice, International Business Machines Corp. is expected to sell the chips to other companies as well as use them in its own computers. Until now, with rare exceptions, IBM has made chips only for its own use.

The alliance, which was first re-ported by two Japanese newspapers on Saturday, could be announced as early as this week.

Jon Iwata, a spokesman at IBM headquarters in Armonk, New York, confirmed this weekend that the company was planning an alliance for the development of flash memories, but he declined to identify its partner. He also confirmed that IBM planned to sell some of the chips it would make.

Similarly, a Toshiba spokesman here said the company was looking for partners in flash memories, but he did not mention names.

Flash memories are attracting considerable attention because they can retain the information they store even when the computer's power is turned off, unlike conventional dynamic random-access memories. That makes them ideal to replace bulkier magnetic hard disks in energy-hungry laptop computers.

Flash memories, which are ex-

pected to take market share from D-RAM chips, also have the potential to replace magnetic disks. They are faster and smaller and, because they have no moving parts, should be more rugged and use less power. Flash memories, however, are

significantly more expensive than disks and provide lower capacity. But as costs come down, the use of these chips is expected to increase. Dataquest, a market-research firm in San Jose, California, expects sales of flash chips to surge to \$1.5 billion in 1995, from \$130

million in 1991. Toshiba, one of the world's largest producers of memory chips, is generally considered to have developed the first flash memory chip in the mid-1980s, but it was an American company, Intel Corp., that sucproduct

Intel now commands more than 80 percent of the market and has been cutting prices aggressively.
But virtually every big Japanese company, as well as some American companies, are making big. pushes into the market.

IBM hopes its alliance with Toshiba will give it a jump start intothat business. It is expected that: Toshiba will provide IBM with its, flash memory technology, allowing IBM to move into production faster than it could have if it had to.

develop its own technology.

The companies, which already have a joint venture to produce screens for notebook computers, are expected to cooperate on manufacring and marketing as well.

# **Delors Says** Danes May Lose CAP

PARIS - Denmark may have to drop out of the European Community's Common Agricultural Policy because of its rejection of the Maastricht treaty, Jacques Delors, the EC Commission president, said on Sunday.

The Common Agricultural Policy is part of the marriage contract," Mr. Delors said in a French television interview. Denmark gains a lot through

"So it is possible that its partners will limit their cooperation, for example, just to the advantages of a big market without barriers and no more." Danish voters rejected the

Maastricht treaty on European

union in a referendum June 2. Mr. Delors extended his warning to any other country that failed to ratify Maastricht, talking about "the 11, or the 10" countries in the 12-member EC expected to go along with the treaty — an apparent reference to France, which is hold-ing a referendum in the fall. Mr. Delors also held out a

cancellation of CAP benefits would only become an issue once a country had confirmed it had definitively rejected Maastricht.

### MONTEREY TRUST, SICAV

Société d'investissement à capital variable Registered Office: Luxembourg, 14, rue Aldringen Commercial Register: Luxembourg Section B 7.553

NOTICE OF THE ANNUAL GENERAL MEETING OF SHAREHOLDERS The Annual General Meeting of Shareholders of MONTEREY TRUST, SICAV, will be held at its registered office in Laxembourg, 14, rue Aldrigen, on June 30th, 1992 at 15:00 o'clock for the purpose of considering and witing upon the following mattern:

To bear and accept:
 a) the management report of the directors;
 b) the report of the suditor.

To approve the statement of assets and liabilities and state ment of operations for the year ended March 31st, 1992.

To discharge the directors and the auditor with respect of their performance of daties during the year ended March 31st, 1992.

To elect the directors to serve until the next annual general meeting of shareholders.

To elect the auditor to serve until the next annual general meeting of shareholders.

The shareholders are advised that no quorum for the statutory general meeting is required and that decisions will be taken at the majority of the shares present or represented at the meeting.

In order to take part at the statutory meeting of June 30th, 1992, the owners of bearer shares will have to deposit their shares five clear days before the meeting at the registered office of the Fund, 14, rue Aldringen, Lumenbourg, or with the tollowing bank:

The Board of Directors

### **CS Prime Metal** Management Company

Société Anonyme 56, Grand-Rue, Luxembourg

R.C. Luxembourg B 30 197

To the unitholders of CS PRIME METAL

Merger with CS GOLD MINES

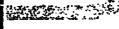
As reported previously, CS PRIME METAL and CS GOLD MINES, an investment fund under Luxembourg law, have been merged as of March 31, 1992.

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ing agent. In the case of unit certificates which have not yet been deposited with the Custodian bank or with a paying agent, exchange and/or reimbursement will depend on the denomination of the certificates and will be in accordance with the previously published exchange ratios. Holders of CS PRIME METAL unit certificates should therefore contact the Custodian bank or a paying agent.

CS Prime Metal Management Company



### CS Euro Finance Fund Management Company

Société Anonyme 56, Grand-Rue, Luxembourg

R.C. Luxembourg B 30 195

To the unitholders of CS EURO FINANCE FUND

Merger with CS EURO BLUE CHIPS

As reported previously, CS EURO FINANCE FUND and CS EURO BLUE CHIPS, an investment fund under Luxembourg law, have been merged as of March 31, 1992.

In the case of unit certificates which have not yet been deposited with the Custodian bank or with a paying agent, exchange and/or reimbursement will depend on the denomination of the certificates and will be in accordance with the previously published exchange ratios. Holders of CS EURO FINANCE FUND unit certificates should therefore contact the Custodian bank or a pay-

CS Euro Finance Fund Management Company

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| WEEKLY INTERNATIONAL BOND PRICES                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              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| Compared Fig. 25 1165 25 176 176 25 25 25 25 25 25 25 25 25 25 25 25 25 | Select Description   15th   | Iff                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Stocksky Cet 96  Stocksky Cet 97  Util Feb 2000  Walls Forpo 75  Abber Not 11.257 95  Ade 11% 11-cor-2001  Lift 11-cor-2001 | Col.      | Mart Sec 19 Jun-03                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Lamer & Andrews  Commercial Control Co |
|                                                                         | Add   Color   Color | Top   1455   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758   758 | Wy Funds:   General   Ge   | 7 GUTS 1 11.22 11.22 GGTRS 1 11.22 11.22 GGTRS 1 12.24 GGTRS 1 12.24 GGTRS 1 12.24 GGTRS 1 12.25 GGT | SS NL STGAP 9 1402 1442 SEPA STGAP 9 997 10.27  NL USGAP 7615 16.47 GBBOV GPWR 127 14.18  ST NL STGAP 9 997 10.27  GBAC GRAP 14.71 14.72  GBAC GRAP 14.72  GBAC GRAP 14.72  GBAC GRAP 14.72  GBAC GRAP 14.73  GBAC | ### 185   187   185   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   187   18 |

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|                                     |            | 2           | Andrew Comment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                        |             |                |                     |              |                                                                                                                                                                                                                                  |
| 5-                                  |            | • . •       | And the second s |                        | _           |                |                     |              |                                                                                                                                                                                                                                  |
|                                     |            |             | New Int                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                        |             |                |                     |              |                                                                                                                                                                                                                                  |
| ***                                 |            |             | Compiled by Laurence                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | erna                   | 110         | na             | Bq                  | nd           | Issues                                                                                                                                                                                                                           |
|                                     |            |             | Continue by Coolen                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                        |             |                |                     |              | <u> </u>                                                                                                                                                                                                                         |
|                                     |            | ľ           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Astrougs<br>(millions) | Mat.        | Coup           | Price               | Price<br>end | Terus                                                                                                                                                                                                                            |
|                                     | •          |             | Floating Rate M                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        | <del></del> |                |                     | Méék         |                                                                                                                                                                                                                                  |
| 7.4                                 | : .        |             | Cariplo                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$150                  | 1000        | <del></del>    |                     |              |                                                                                                                                                                                                                                  |
|                                     |            |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 4,50                   | 1999        | 1/4            | 99%                 | . –          | Over 6-month Libor, Noncollable, Fees 0.20%. Der<br>\$10,000. [Nonura Int ].]                                                                                                                                                    |
|                                     |            |             | Den Norske Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | \$ 50                  | 2002        | 11%            | 99%                 |              | Over 3-month Libor until 1997, and 2% over                                                                                                                                                                                       |
|                                     |            |             | Engle 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                        |             |                | <u></u>             |              | Collable at par from 1997, Fees not disclosed. Der<br>\$10,000. (Goldman Sachs Int'L)                                                                                                                                            |
|                                     |            |             | Lugic 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$ 43                  | 1996        | 1.10           | 100                 | _            | Over 6-month Libor. Noncollable, Fees 1%. Der                                                                                                                                                                                    |
|                                     | ٠.         |             | Salomon                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | \$300                  | 1995        | libor          | 100                 |              | \$100,000. (Darwa Europe.)                                                                                                                                                                                                       |
| F                                   | .:         |             | PRACE.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                        |             |                |                     |              | determined quarterly by auction, Nancollable, F<br>Denominations \$100,000, (Solomon Brothers Int.)                                                                                                                              |
|                                     |            |             | SBAB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DM 500                 | 1996        | 1/6            | 100                 | _            | Over 3-month Libor. Noncollable, Fees 0.25%; (Mc                                                                                                                                                                                 |
|                                     | -,-        |             | Spain                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | DM 2,000               | 2002        | 1/16           | 100.15              | 99.95        | ley Germany.]  Below 6-month Libor. Noncolloble. Fees 0.20%.                                                                                                                                                                     |
|                                     | 1          | •           | Leeds Permonent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 2100                   | 1997        | ¥ <sub>6</sub> | 100                 |              | Bonk.)                                                                                                                                                                                                                           |
|                                     | -          |             | Building Society                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                        |             |                |                     |              | Over 3-month Libor, Redeemable at par in 1994, F<br>Denominations £100,000, (Margan Stanley Int 1.)                                                                                                                              |
|                                     |            | :           | European Coal &<br>Steel Community                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | F 300                  | 2012        | 0.40           | 100                 | _            | Below 3-month Pibor. Noncollable, Fees 0.375%. (B<br>Markets.)                                                                                                                                                                   |
|                                     | ÷          |             | Credito Italiano                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | ECU 150                | 1997        | 0.20           | 100                 |              | Over 6-month Libor. Reoffered at 99.90. Noncol                                                                                                                                                                                   |
|                                     |            | <u>,</u> :: | London<br>Kobe Steel                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Y 20,000               | 1004        | <del></del>    | •                   |              | 0.25%. (RJ by'l.)                                                                                                                                                                                                                |
|                                     |            | -           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        | 1996        | 0.20           | 1001/4              |              | Over 3-month Libor, Recifiered at per, Noncoll<br>0.30%, Denominations 10 million yen, (Nonura Int                                                                                                                               |
|                                     |            | -           | , Modrid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Y 15,000               | 2004        | 1/2            | 100.20              | _            | Below the Japanese long-term prime rate, ser<br>Redeemable of par in 1997, Fees not disclosed. Den                                                                                                                               |
| W 2 Well                            |            |             | Fixed-Coupons                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                        |             |                | <del>.</del> :      |              | 100 million yes. (Daiwo Europe.)                                                                                                                                                                                                 |
| er causé                            | ٠.         |             | Asian Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | \$500                  | 2002        | 71/2           | 99,492              | 00 as        | Manual Lin Company (C. L. C. A. Lutt                                                                                                                                                                                             |
|                                     | <i>:</i> . | ٠.          | Bank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                        |             |                |                     |              | Noncolioble, Fees 0.325%. (Goldman Sochs Int'l.)                                                                                                                                                                                 |
| nt?                                 | :          |             | Banco Internacional<br>SNC                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | \$ 50                  | 1995        | 8%             | 99.025              | _            | Semiannually, Noncollable, Fees 1%, Dena \$100,000, (Namifacturers Hanover.)                                                                                                                                                     |
|                                     |            |             | Darwo Int'i Finance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | \$78                   | 2002        | 71/2           | 100                 |              | Interest will be 71/2 until 1997, and 0.65 over 6-m                                                                                                                                                                              |
| ight who was                        | •          |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                        |             |                |                     |              | thereafter. Callable at par from 1997. Fees 2%. I<br>from \$10,000. [Daiwa Bank Capital Management.]                                                                                                                             |
| ident under                         | (          | •           | Juroku Int'l Finance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <b>\$45.</b> 7.        | 1995        | zero           | 85%                 | _            | Yield 5.309%, Noncollable, Proceeds \$38.6 million. Denominations \$100,000, (Mrsubishs Finance.)                                                                                                                                |
| riced that a                        | . :        |             | Mexico City Toluca                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | \$207.5                | 2002        | 11.            | 981/2               |              | Quarterly. Sinking fund to start in 1993, Fees 1%.                                                                                                                                                                               |
| i the mane.<br>ir. Klaus ad         |            | _:          | Toli Road<br>Nacional Financiera                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$100                  | 2002        |                |                     |              | tions \$10,000. (Lehmon Brothers Int'L)                                                                                                                                                                                          |
| 72  251 Erek                        | ٠.         | ٠.          | 1 CONTRACTOR                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | . \$100                | 2002<br>    | 9%             | 99 <del>%</del><br> |              | Noncallable. Feet 136%. Denominations \$10,000. (J. Securities.)                                                                                                                                                                 |
| Saturday ia<br>Bratislava           | :          |             | Nissan Capital<br>America                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | \$150                  | 1997        | 2BrO           | 70.775              | _            | Yield 7.158%. Noncollable. Proceeds \$104 million. I                                                                                                                                                                             |
| a joint size                        |            |             | Oesterreichische                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | \$200                  | 2002        | 7%             | 101%                | 99.85        | Reoffered at 99.70. Nancollable, Fees 2%, U.P.                                                                                                                                                                                   |
| ieral govern<br>d be cut from       | 7          |             | Kontrollbank                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <del></del>            |             |                |                     |              | Securities.)                                                                                                                                                                                                                     |
| ense, inside                        |            | . •         | Standard Credit Cord<br>Trust                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | \$1,500                | 1995        | - 5%           | 99.79               | _            | Semionnually. Noncollable. Fees not diasclassed. (C                                                                                                                                                                              |
| ार्व foreign al<br>व्यवस्था क्रिक्स | :<br>::-   |             | Standard Credit Card                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | \$95.8                 | 1995        | 61/6           | 99.82               | -            | Semicannually. Noncollable. Fees not disclosed. (Chi                                                                                                                                                                             |
| government<br>he Czech za           | :          | :           | Trust<br>Fuii Marble                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DM 10                  | 1997        | 9              | 101%                | <u> </u>     | N                                                                                                                                                                                                                                |
| mmens.                              |            |             | _ · · · · · · · · · · · · · · · · · · ·                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                        | 1777:       | <del>7</del> . | 10176               |              | Nancollable private placement. Fees not disclosed. (<br>Bank Germany.)                                                                                                                                                           |
| T the park                          |            |             | Japan Finance Corp.<br>for Municipal                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | DM 100                 | 1999        | 81/4           | 102%                | _            | Noncolloble, Fees 2%% (Deutsche Bank.)                                                                                                                                                                                           |
| ands and So<br>and proposit         |            | 4           | Enterprises                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | <u> </u>               |             | <u> </u>       | ٠ .                 |              |                                                                                                                                                                                                                                  |
| ≈ of the con-                       |            | 77          | Crédit Foncier de<br>France                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | FF 300                 | 2002        | 4              | 99.98               |              | Reaffered at 99.48. Noncollable. Fungible with our issue, raising total to 1,1 billion francs. Also 1,2 mil                                                                                                                      |
| z reierendo                         |            |             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | -                      |             | •              |                     |              | year warrants, exercisable at 101 into French go<br>notes due 2002 paying 81/7%. (J.P. Morgan Securite                                                                                                                           |
| he the ledge<br>is has been         |            |             | Société Nationale des                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | FF 1,800               | 2004        | 03.8           | 97.361              |              | Reoffered at 96,411, Nancollable, Fees 0.35%, Addi                                                                                                                                                                               |
| that idea                           | :          |             | Chemins de Fer<br>François                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | £.,                    |             | · ·            |                     | : . !        | billion francs offered domestically. Increased from 1<br>francs. (Crédit Agricole.)                                                                                                                                              |
| w sech 2 m<br>Jewskia ma            |            |             | Asian Development                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | DF 300                 | 2002        | 8%             | 100:90              | _ (          | Reoffered of 100.10. Noncollable, Fees 1%. (AliN-A                                                                                                                                                                               |
| ः १८५ इत्यक्तकृ                     | į          | -           | Bank<br>Inter American                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 45 ± 1 000             | 2002        | 774            | 10114               |              | Complete Super Subsect St. C. S.                                                                                                                                                                                                 |

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ाट १५० तकुक्ट

Inter-American

Paris

Railway

Development Bank

Canadian National

General Electric

) European Bank for Reconstruction &

Toyota Finance

Development

Australia

Kobe Steel

Porto Systems

**Equity-Linked** 

Banque Nationale de

Over 3-month Libor until 1997, and 2% over thereafter. Callable at par from 1997, Fees not disclosed. Denominations

Over 6-month Libor. Noncollable, Fees 1%. Denominations \$100,000. (Darwa Europe.)

Interest will be pagged to the 3-month Libor, and will be determined quarterly by auction. Nancallable. Fees 0.25%. Denominations \$100,000. (Salaman Brothers in 1.)

Over 3-month Libor. Noncollable, Fees 0.25%; (Morgan Stanley Germany.)

Over 3-month Libor. Redeemable at par in 1994, Fees 0.45%. Denominations £100,000, (Margan Stanley Int'l.)

Below 3-month Pibor. Noncollable, Fees 0.375%. (BNP Copital Markets.)

Over 6-month Libar. Reoffered at 99.90. Noncollable. Fees 0.25%, (BJ by\*).)

Over 3-month Libor, Reoffered at por, Noncollable, Fees 0.30%, Denominations 10 million yen, (Nomura Int'l.)

Semiannually. Noncollable. Fees 1%. Denomination \$100,000. (Manufacturers Hanaver.)

Interest will be 71% until 1997, and 0.65 over 6-month Usor thereafter. Callable at par from 1997. Fees 2%. Denomina-tions \$10,000. (Daiwa Bank Capital Management.)

Yield 5.309%, Noncollable, Proceeds \$38.6 million. Fees 116%. Denominations \$100,000. (Missubishi Finance.)

Quarterly. Striking fund to start in 1993, Fees 1%. Denominations \$10,000. (Lehmon Brothers Int 1.)

Noncallable. Fees 136%. Denominations \$10,000. (J.P. Margar

Yield 7.158%. Noncollable. Proceeds \$104 million. Fees 11/26. (Fuji Int'il Finance.)

Semionnucity, Noncollable, Fees not diasdosed. (Chicarp.)

Reoffered at 99.48. Noncollable. Fungible with outstanding issue, raising total to 1,1 billion francs. Also 1,2 million two-year warrants, exercisable at 101 into French government

- Reoffered at 100.10. Noncollable. Fees 1%. (ABN-Amro.)

audity. Noncollable. Fees not disclosed. (Cricorp.)

101% 99.85 Reaffered at 99.70. Nancallable. Fees 2%. (J.P. Margar Securities.)

# Testing the Economic Waters

# Treasury Market Tries to Second-Guess Fed

NEW YORK - The U.S. Treasury market faces two note auctions in the coming week and must

distribute the new supply as it tries to assess the economy's strength. The Treasury plans to sell \$15 billion of two-year notes on Tuesday, June 23, and \$10.5 billion of five-year notes Wednesday. The Treasury has scheduled an auction of \$14.25 billion in one-year bills for Thursday.

the market to have much trouble distributing the new securities. "I think they're going to go

economist at First Boston. "If there is a price concession. I don't think it will be a significant change from current levels. Ram Bhagavatula, chief financial economist at Citicorp Global Finance, said the market was preoccu-

O.K.," said Matthew Alexy, an

pied with trying to get a grip on how secure the economic recovery is. tween trying to decide where the claims on Thursday. Economists economy is," Mr. Bhagavatula expect fresh claims to total 405,000.

look closely at reports coming out Wednesday.

The largest U.S. car manufacturers will report on mid-June sales that day and the government will release its report on May durablegoods orders.

Economists expect, on average,

U.S. CREDIT MARKETS Thursday. that auto sales will total 6.4 million
Analysis said they did not expect on an annualized basis. They estimate that durable-goods orders rose 0.3 percent in May.

"If the reports are stronger than the market expects, you have to believe there will not be any new credit easing," Mr. Bhagavatula said. "In that case, the market would be vulnerable, especially at the front end of the curve," he said. To attract buyers to the five-year note auction, yields would have to rise he added

Other economic data due this week include the weekly report on The market is betwirt and be new unemployment insurance said. "Its bias is to believe that the economy will weaken again and the Federal Reserve will have to ease."

The final estimate of first-quarter gross domestic product, also due Thursday, is estimated to be up 2.3 Because of the need to assess the percent

sumption data are due Friday.

Chemical Bank's director of financial market research. Charles Lieberman, said discussion of whether the Fed was starting to ease was likely to increase. For four straight days, the Fed has stayed out of the market, even though federal funds have traded consistently below their presumed, 3% percent target. Funds were trading at 3% late Friday afternoon and were expected to open between 3% and 3% percent on Monday.

In trading last week, the price of the 30-year Treasury bond closed Friday at 101 28/32, for a yield of 7.83 percent, compared with 101-20/32 for a yield of 7.85 percent the week before. Lehman Brothers' long-term bond index ended at 1,382.57, up slightly from 1,378.30 a week earlier.

The 10-year Treasury note inched up to 101 26/32, pushing its yield down to 7.23 percent, compared with 101 17/32, or a yield of

10/32, to yield 6.42 percent, compared with 100-4/32 and a yield of

The 5-year note rose to 101-

(Reuters, UPI)

6.47 percent the week before.

# By Sparing the Tree, New Process **Enhances Drug's Market Prospects**

By Gina Kolata New York Times Service

NEW YORK - Until recently, officials at the National Cancer Institute feared that some patients could end up literally begging for a promis-ing new drug extracted from the bark of the year tree in the Pacific Northwestern United States.

The problem now seems to be solved by a process that avoids harvesting the entire tree. Furthermore, the drug, called taxol, has a competitor that would be equally sparing of yew trees. Financial analysts are predicting revenues of at

least several hundred million dollars for two drug companies, Bristol-Myers Squibb, which produces taxol, and Rhône-Poulenc Rorer Inc., which makes Bristol-Myers Squibb Co. has licensed a process

to make taxel from needles on the yew branches. The clippings need not even come from the Pacific tree, and yews grow in Europe and Asia. Dr. Samuel Broder, director of the National

Cancer Institute, said taxol is "the most important new drug we have had in cancer in 15 years." Developments are now moving so rapidly that success is near in synthesizing the molecule, which would eliminate yew trees completely.

Ronald Nordmann, an analyst with Paine Web-

ber Securities, said for Bristol-Myers Squibb, taxol "is the most important product in its pipeline." He said the market could reach \$350 million by 1995 and had the potential to be a billion-dollar drug.

Viren Mehta, a partner in Mehta & Isaly, a health-care investment group, predicted revenues for taxol in the \$300 million to \$500 million range yearly within three to five years, but added that such amounts would still push taxol's sales above those of any other cancer drug.

He estimated that taxotere was about two years behind taxol and could have sales at least half those of taxol. Bristol-Myers Squibb said it planned to submit

its application in about a month to market taxol for women with ovarian cancer, the first group to have received the drug in clinical tests. Taxol has no patent protection, but Bristol-

Myers Squibb received a five-year exclusive marketing agreement from the U.S. government in exchange for the development work. Rhône-Poulenc Rorer said it hoped to apply to

sell the drug under its patent by 1994. The company has set up nurseries in Cologne to grow a supply of yew shrubs. So far, taxol has been proven effective only in

women with ovarian cancer when all other therapy was unsuccessful. In up to 33 percent of the cases, tumors shrunk and sometimes disappeared for up to a year.

In addition to 13,000 American women who might use taxol for ovarian cancer, 45,000 breast cancer patients could also benefit. If taxol's initial promise in shrinking lung cancers is fulfilled, another 146,000 patients could use it. The institute is testing taxol in patients with leukemia, lymphomas, sarcomas and pediatric cancers and is studying it in combination with other chemotherapy.

The drug has not produced results in patients with melanoma and cancers of the colon, kidney, cervix and prostate. Officials at the institute emphasized that "no patient has yet been cured."

Steadmen Funds:
Am ind 120 NL
Am ind 120 NL
Am ind 120 NL
Am ind 120 NL
Coost 225 NL
Coost 225 NL
Coost 225 NL
Coost 225 NL
Coop 27.83 NL
Income 9.48 NL
Indian 11.07 NL
Madda 9.55 NL
Note 12.55 NL
Stroke 12.57 NL
Stroke 12.5

Winc P 1.27 1.45
WWPP P 1.92 1.92
Shorson Ports:
April 14.41 14.44
Carvit 12.75 12.75
Dvainc 1 8.40 8.40
Dirvoit 12.75 12.75
Dvainc 1 8.40 8.40
Europ 1 11.22 12.22
Gibbd 1 14.01 14.01
GibEq 1 11.01 11.05
HING 1 11.61 11.65
HING 1 11.67 12.57
HING 1 12.57 12.75
HING 1 12.71 12.77
Soleq 1 11.77 12.77
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Sorrott 18.75
Sirvoit 14.71 14.71
Sirvoit 1 15.71
Si

P 10.65 10.95

**MUTUAL FUNDS** 

# **BUSINESS BRIEFS**

### Denmark Plays Down Unibank Fears

COPENHAGEN (AFP) - The Danish Central Bank denied Sunday rumors of a possible suspension of payments by, or even a closing of Unibank, the country's second-biggest financial institution.

The bank said the rumors, which have been circulating since Thursday.

were "unjustified," and that it had decided to supply the bank with "the capital needed to avoid liquidity problems."

Talk of a suspension of payments and of a merger with a foreign bank came after rumors that Unibank would suffer a loss of about 4.5 billion kroner (\$745 million) for the first half of this year.

# Supplemental Budget Seen for Japan

TOKYO (Bloomberg) — Prime Minister Kiichi Miyazawa of Japan has urged his ruling Liberal Democratic Party to come up with additional fiscal measures to stimulate the country's economy, according to the financial newspaper Nihon Keizai.

Mr. Miyazawa reportedly told the chairman of the party's policy research council that the government hoped to compile a supplementary budget before the economic summit meetings to be held next month in

Munich, the newspaper said.

Mr. Miyazawa's call for a supplementary budget followed a statement made Saturday by Shin Kanemaru, vice president of the ruling party, urging additional measures to stimulate the economy.

### India Lifts Remittance Restrictions

NEW DELHI (AFP) - India has withdrawn its regulation that required export earnings to be equivalent to any dividends remitted to foreign investors, a government statement said.

Newspapers noted Saturday that the move coincided with a visit by Prime Minister P.V. Narasimha Rao to Japan, where he seeks approval for quick disbursement of a \$500 million loan. Japanese trade delegations have sought a freer hand in India to repatriate profits and cut work forces.

Investments by approved international lending agencies such as International Finance Corp., Commonwealth Development Corp. and Asian Development Bank were also freed of the restrictions.

### Ukraine Said to Cut Oil Pipeline Flow

MOSCOW (Reuters) - Ukraine has cut the flow of Russian oil through pipelines on its territory by 25 percent in an attempt to force payment of transit dues, Russian television reported.

Ukraine is claiming \$5.5 million in fees for use of the pipeline that transports Russian oil to Hungary and Czechoslovakia. In addition, Western gas companies have reported that gas pressure has been falling as Ukraine taps pipelines for its own use. Oil is Russia's biggest hard-currency export.

### Estonia Drops Ruble for the Kroon

TALLINN, Estonia (Reuters) - With a brightly colored new banknote called the kroon. Estonia became the first former Soviet republic to abandon the increasingly worthless ruble that symbolized five decades of

The three-day currency transformation ends on Monday. There were so many tourists in Tallinn over the weekend that additional knoons had

There will be uncertainty at the beginning, but things should be clearer in July when people start receiving salaries in kroons," said Guideo Sammelselg, director of the Bank of Tallinn. The convertible currency is pegged at eight kroon to the Deutsche mark.

### Venezuela Readmits Oil Companies

CARACAS (AP) — For the first time since nationalization in 1975, Venezuela has approved several foreign companies for 20-year contracts to explore and produce marginal fields. Benton Oil & Gas Co. has teamed up with Vinceler, a construction concern based here, to pump oil from three fields that had been previous-

ly abandoned, officials said. A similar deal went to Japan's Teikoku Co.

# Ricoh Develops Copycat Computer TOKYO (NYT) — Ricoh Co. said it had developed a computer that

equired no software because it learns what to do by example. Users would input examples to teach the computer how to perform tasks like recognizing letters or controlling a chemical process.

Ricoh said it was the first neural-network computer, which follows the function of the human brain, that is strictly hardware, allowing a great increase in the speed at which the computer learns.

### For the Record

An Indian judge ordered detectives investigating a billion-dollar bond scandal to bring specific charges, on Monday, against the alleged master-mind, Harshad Mehta, and 10 other suspects. (AFP)

# DOLLAR: Currency's Summer Dog Days Have Begun

ASch 1,000 2002 7% 101½ .— Noncollable, Fees not disclosed, Blank of Austria.)

C\$ 125 2002 8% 701.40 99.75 Reoffered at 99.725. Noncollable. Fees 2% (Floribras Bank.)

C\$ 200 1997 81/4 101.10 99.90 Reoffered at 99.525, Nancallable, Fees 11/6, (ScotiaMcLead.)

C\$ 100 1997 8 101.575 99.88 Reoffered or 99.95. Noncollable, Fees 1%%, (Kidder Peabody left 1.)

C\$ 1,200 - 2022 9% 98.734 98.80 Semiannually, Noncollable, Fees 0.50%, [Merrill Lynch Int'l.]

101.05 99.90 Noncollable, Fees 146%, (Hambros Bank.)

101,60 -100,85 Noncollable. Fees 26/%, Increased from NZ\$50 million. (Ham-

Reaffered at 100,30. Redeemable at par in 1995. Fees 1%%. Denominations 10 million yen. (Daiwa Europe.)

Noncaliable. Convertible at \$20.40 per share, a 20% premium. (Goldman Sacts Int'L)

(Continued from first finance page) is geared to continued dollar weakness, there is a contrarian opinion. which, by definition, means off the wall and out of favor.

NZ\$75 2002 9

Bundesbank policy-makers are scheduled to meet July 16 and then take a three-week summer recess. The meeting, which came as a surhise to many analysis but which a central bank spokesman said had been scheduled since the start of the year, will look at revising the

monetary growth targets. The over-target growth, last seen running at almost a 9 percent anonal rate includes some important

lash against what a populist politi-

cian might portray as an invasion

by Uncle Sam remains a question.

For now, however, the team's re-

sults have been dramatic, and the

group is popular. Total foreign in-

estment committed to Czechoslo-

vakia in the last year reached \$5

billion, including over \$1.4 billion from United States companies that bad previously shied away.

Also pace of privatization overall has raced shead faster than elsewhere in the case.

where in the former Soviet Bloc.

A report this month from the

privatization minister, Tomas Je-

zek, underscored the warm rela-

tionship. It estimated that the

team's Wall Street-honed negotiat-

ing skills had achieved improve-

ments averaging 353 percent on the value placed by the government on assets to be sold.

Among the companies with

which the United States group has negotiated deals on behalf of the

Czechoslovak Privatization Minis-

by are Philip Morris, which has

agreed to pay \$413 million for con-

trol of the Tabak cigarette maker,

K Mart, which has acquired the

Prior & Maj department store

hain for \$118 million, and Coca-

Cola's Australian bottler, which

bought the Prazske soft drink con-

"Our culture is closing deals,"

cern for \$89 million.

yield curve that is pulling money growth during the first quarter. out of long-term instruments into the higher-yielding short-deposits and the increasing use of the mark as a parallel currency outside Germany. Neither factor is worrisome as a harbinger of future inflation

inside Germany. The main concern of Bundesbank policy-makers is the very strong expansion of credit to pri-vate businesses and households, which has been running at a 12 percent annual rate in the first five

CAPITAL: For U.S. Deal Junkies, Prague Is Heaven

said Mart Bakal, a former Drexel

Burnham director who leads the

Crimson team. "We reckon if we

can't get things done, why be

But the very pace of these and

other transactions raises questions

of central importance to all former

Soviet bloc countries as they seek

of an economy to foreign corpora-tions inevitably provoke a political backlash? What alternative is there when domestic capital is scarce?

Will the Czechoslovak method of

pushing for rapid privatization, ar-dently preached by Finance Minis-ter Vactor Klaus, he vindicated? Or

fronts the core issue of disposing of

Already, within Czechoslovakia

sharp differences have emerged.

Vladimir Meciar, who was the big winner in Slovakia in the nation's

elections this month, opposes Mr.

Klaus's rapid economic changes.

state property?...

Will the disposal of large swaths

to switch to market economies.

months of the year. That expansion coincided with

extraneous factors — the inverted an unexpectedly fast pace of

The contrarian view ties both the rapid growth and credit expansion to the fear of widespread strikes that resulted in a massive build-up in inventories. The strikes were avoided and the inventories, costly to be financed, need to be reduced This should result in a very rapid slowdown in business activity and as inventories are cut a rapid contraction in bank loans.

In this view, the July 16 meeting could mark the turnsround in

year-old Czechoslovak federation

ulous Czech lands, there is opposi-

"The privatization process speeded by these U.S. financiers

must be slowed or the whole coun-

try will be dominated by interna-tional conglomerates," said

Zbynek Kozel, deputy international secretary of the center-left Social Democratic Party. "It's a danger-

Even in the wealthier, more pop-

may occur.

ous sellout,"

tion to Mr. Klaus.

### Plans for 3d Stock Market Agence France-Presse

China Shelves

BELIING — The governor of the People's Bank of China, Li Guixian said plans for a third stock market had been put on hold as authorities grappled with managing exist-ing markets in Shanghai and Shenzhen, according to a report published Sunday.

Mr. Li, quoted in the People's Bank of China Weekly Digest, said authorities hoped to learn more about stock markets from experiences in Shanghai and the southern Special Economic Zone of Shenzhen, whose markets opened in 1990 and 1991.

The decision is a step backward for the Chinese, who ear-lier announced that they would open a third stock exchange in a northern city to balance economic development that has so far been concentrated in the south.

### Euromarts At a Glance

| Eurobond Yleid                  | 8       |          |
|---------------------------------|---------|----------|
|                                 | June 17 | Juste 10 |
| LS. L.S YES & OVER              | 7.76    | 7,12     |
| ) S. S. 5 to 7 yrs              | 7.97    | 7.21     |
| LS, s, jess than 5 yrs          | 5.62    | 5.86     |
| bends sterling, less then 5 yr  | S 10.12 | 18.22    |
| reach francs, less thee 5 yrs   | 9.36    | 9.35     |
| tpl, lice, less then 5 yrs      | 12.25   | 12.17    |
| Contain icrona, less than 5 yes | 16.11   | 10.12    |
| CULS VIS & over                 | 9,15    | 9.04     |
| CU.5 to 7 yrs                   | 9.14    | 9,07     |
| con, S, less than 5 yrs         | 7.45    | 7.90     |
| ters, 5, less than 5 yes        | 7.48    | 7,99     |
| LZ. S., Jess then 5 yrs         | 8.51    | 3.16     |
| fee. 5 in 7 yrs                 | 576     | 5.77     |

Despite such uncertainties, the United States has adopted a firm position: the faster privatization goes in Eastern Europe, the better. "Czechoslovakia stands out bedo the more cautious methods of - cause it is the place where large-Hungary and Poland provide a bet- scale privatization has reached ter model for Russia as it too con- take-off stage," said Robert Barry.

> Europe at the State Department. "The problem with proceeding case-by-case as in Hungary, or in stop-go fashion as in Poland, is that you end up wasting a lot of time and money. Our assistance is going to flow to the places where most

the coordinator for United States

assistance to Central and Eastern

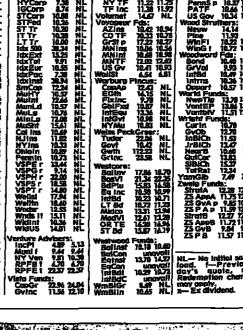
These changes include a mass sale of shares in 1,446 state compaprivatization is taking place." nies to the public through a com-In fact, of the \$35 million that plex voncher system, as well as the Mr. Barry said had been committed sales to foreigners. Indeed, differto the region this year by the Unitences between Mr. Klans and Mr. ed States Agency for International Meriar on various issues are so Development, close to half has great that a break-up of the 74- gone to Czechoslovakia.

|                                  | June 17   | June 10 |
|----------------------------------|-----------|---------|
| U.S. E.S YES & OVER              | 7.76      | 7,12    |
| U.S. S. S to 7 yrs               | 7.97      | 7.21    |
| U.S. s. less than 5 yrs          | 5.62      | 5.86    |
| Promots sterling, less then 5 yr | rs 10.72  | 18.22   |
| French francs, less thee 5 yrs   |           | 9.35    |
| Their Dev. less then 5 yes       | 12.25     | 12.12   |
| Danks krone, less then 5 yes     | 10.11     | 10.12   |
| ECULS VIS & over                 | 9,15      | 9.04    |
| ECIL 5 to 7 yrs                  | 9.34      | 9,07    |
| Con. S. less than 5 yrs          | 7.45      | 7.90    |
| Atra, L. less then 5 yrs         | 7.48      | 7.99    |
| N.Z. S. James House 5 yrs        | 8.51      | 216     |
| Yes. 5 to 7 yrs                  | 5.76      | 577     |
| Yan, less then 5 yrs             | 511       | 5.09    |
| Source: Luxembourg Stoc          | k Exchang | *       |

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| Š | Source: Euro    | clear, Car | del.    |                     |
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| ı |                 | 1-Month    | 3-month | 6-mont              |
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| ١ | Deutsche mark   | 194        | 94      | 994                 |
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# Strong Currency Hurts Taipei

Compiled by Our Staff From Dispatches

TAIPEI — Taiwan expressed concern on Sunday over the continued rise of the local currency, which has appreciated almost 10 percent against the U.S. dollar in the past year, hitting a record of 24.714 to the dollar

The strong currency is taking its toll on the economy as a whole, with statistics released over the weekend suggesting that Taiwan's boom was slowing. Industrial production rose 3.73 percent in May

from a year earlier, its slowest rate this year, the Economics Ministry said Saturday. Output fell 0.53 percent from April on a seasonally adjusted basis, partly due to weakness in some export-related sectors such as textiles, the ministry said.

The ministry also said that export orders for Taiwan goods in May fell 3.55 percent from April, to \$6.94 billion, though they rose 6.04 percent from a year

Economics officials said the Taiwan dollar's rise was one of the major causes for a decline in export orders last month, and added that orders would continue to drop this month unless the position improved.

There should be no room for further rises in the value of the Taiwan dollar as the nation's current account has not expanded so far this year," said Economics Minister Vincent Siew, adding that his ministry wanted a stable foreign-exchange rate.

May orders were hit by a rare drop in orders from Hong Hong, which fell 5.63 percent from a year earlier to \$922 million. The Commercial Times, a leading economic daily, said this was the first fall in three years. In the first five months of this year, export orders climbed 7.89 percent from a year earlier, to \$32.8 billion.

Exports to Hong Kong had been growing rapidly, since the British colony is the main conduit for Taiwan's booming trade with China. Taipei bans direct trade with China because of political tensions. Some bank officials pointed out that the fast rise of

the local currency in the past year had made it the strongest currency in the world, when compared with the 5.5 percent rise of the Japanese yen against the Share prices decline dollar and the 5.9 percent rise of the Deutsche mark during the same period.

Central Bank officials said the bank might review its interest-rate and exchange-rate policies after Gover-nor Samuel Shieh returns Monday from a European

efforts to control inflation by keeping credit tight. The central bank raised its key rediscount rate by 0.25 of a percentage point, to 6.125 percent, last month.

Early this year, economists predicted GNP growth

of about 7 percent in 1992, compared with 7.3 percent (Reuters, AFP)

■ Call for a Chinese Economic Community A top economist asked Taiwan authorities on Sunday to encourage the integration of regional Chinese economies into a Chinese economic community, similar to the European Community and the U.S. free

trade zone, Agence France-Presse reported. "The proposed economic community, with the co-operation of Japan and Southeast Asian nations, will enable the region to become a peer to the EC and the American free trade zone 20 years from now," said Liu Tai-ying, president of the Taiwan Economic Research

Mr. Liu said Taiwan, Hong Kong and China should quickly reduce their political differences and cooperate fully in the economic arena.

An economics official said the proposal was worth promoting adding that by the turn of the century gross national product of the region would amount to \$1.5 trillion.

Some government officials, however, said the proposed economic community would be possible only when China changed its hostile attitude toward

6% 10% —1<u>%</u>

# **WORLD STOCKS IN REVIEW**

Share prices declined, dragged down by a slump in the stock of Philips Electronics NV after the company reversed an earlier, optimistic profit forecast.

Despite a small rebound Friday, the CBS all-share index lost 5.3 points on the week, to close at 209.30. Turnover was sharply higher, with Philips shares by far the most active. Philips fell about 20 percent during the week, wiping out about 2 billion guilders of market capitalization.

Analysts at the Kempen & Co. brokerage said they did not expect a further decline this week, as lower prices should draw in institutional

### Frankfurt

spot-trend index closed Friday at 1,772.89 points, down nearly 10 points on the week, while the Com-

the previous Friday. Volume remained low, and analysts said they foresaw no marked 2,006.6. recovery in the German stock market in the near future, with consoli-

dation continuing. downward trend. Allianz gained 13 were not yet out of the recession.

2017 1214 2017 1214 386 614 58 114 6476 2576

Deutsche marks during the week and AMB rose 5 DM.

# Hong Kong

Prices edged lower during a featureless week on the Hong Kong Stock Exchange. The Hang Seng Index lost 31.47 points, or 0.54 percent, on the week to close at 5,787.60 on Friday. Turnover fell, partly because the market was closed Monday for a holiday.

The simp in Tokyo and a Chinese-British dispute over the financing of Hong Kong's new airport project depressed the market, analysts said.

### London

Prices fell for the fourth consecutive week in London under the combined pressures of a weak Wall Prices eased in a general wait-and-see atmosphere. The DAX snot-trend index closed Friday at Group's billion-dollar stock offer. The FT-SE 100 Index closed at 2,584.8 points on Friday, down

merzbank indicator finished at 18.9 points on the week and 5.8 1,992.9 points, down from 2,002.6 percent lower than its mid-May high. The FT-Ordinary index of 30 shares dropped 18.7 points, to

Trading was volatile, with sharp rises on Tuesday and Friday, but overall the market drifted lower as Insurance stocks backed the several companies reported they

Brief hopes that an interest-rate cut was imminent were dashed by

# the reaffirmation of the govern-ment's strict anti-inflation policy.

Falls were accentrated by sharp sell-offs in the drugs and unlittes sectors. On Thursday, the industrial beliwether Imperial Chemical Industries PLC signaled a weak first half, prompting a spate of profits downgrades.

Acrospace issues were weak after the Irish plane leasing giant GPA withdrew its stock offering Thursday, hours before it was due to be listed on the market.

### Milan

The decline continued on the Milan stock exchange as the MIB index lost 12 points, or 1.28 percent, during the week to close at 926 points on Friday. Volume was

The interest-rate increase announced by the Bank of Italy to defend the lira had more impact on the market than hopes of a breakthrough in Italy's government crisis. A Socialist, Giuliano Amato. was named to form a government

Blue-chips were mixed. Fiat gained 2.59 percent, Olivetti added 4.18 percent and CIR was 2.18 percent higher. In telecommunica-tions, SIP was down 5.91 percent and STET lost 6.65 percent.

The Bourse, sent into a tailspin by the Danish "no" to the Masstricht treaty, continued to lose ground before staging a mild recovcay Friday in reaction to the Irish

yes vote on European unity. The CAC-40 index lost 14.37 points, or 0.75 percent, during the week, to close at 1,913.92 points on Friday. The index had gained 1.17 percent on Friday following Ire-iand's approval of the Maastricht

The CAC has fallen 8 percent since May 11, when it hit its highest level in two years. The indicator is nevertheless 8.40 percent higher than it was at the start of the year.

Singapore
Profit-taking sent blue-chips lower on the Singapore stock exchange. The Straits Times Industriat Index shed 17.90 points during the week, to close at 1,498.97. The SES all-Singapore index moved up

2.44 points, to 407.92. Turnover increased, and analysts noted that lower interest rates drew attention to property stocks during the week.

### Tokyo

Prices fell in volatile trading. The key indicator, the Nikkei average of

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almost six years on Thursday, before rebounding sharply on bar-

gain-hunting Friday.

The Nikkei closed the week at 16,519.87 points, for an 863.812 point drop — a fall of 4.96 percent — on the week. The week before, the index had failen 406.36 points. The Tokyo Stock Price Index shed 38.2 points to end the week at 1,267.27, after a 17.6-point fall the

previous week. Turnover declined. The market continued to fall following the release by the Bank of

Japan of a quarterly business sur-vey which found that confidence vey which found that conneced fell to a five-year low in the three months to May.

Light trading made the market vulnerable to futures-linked arbitrage trading, traders said.
Financial issues were hardest hit.

Nomera Securities fell from 1,430 yen to 1,270 yen, and Nikko Se ties dropped from 613 yen to 540.

### Zurich

Prices fell, dragged down by poor performances on other European markets and in Tokyo. The Swiss Performance Index shed 7.07. points during the week to close at 1,178.05 points on Friday. In the chemical and pharmaceu-

tical sector, Ciba-Geigy lost 140 Swiss francs to 3,240 and Sandoz was down 20 francs to 2.910. Roche 225 blue chips, hit its lowest level in gained 130 to 4,930.

| NASDAQ NATIO                                                                                                                                                                                 | ONAL MARKET                                                                                                                                                                                                                  |
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# SPORTS BASEBALL

# **Robinson Leads** Pirates Past Expos

beseball for his second straight start and Orlando Merced hit his first less eighth inning and John Franco homer of the season as the Pittsbusing Pirates avoided a four-game sweep by beating the Montreal Expos, 5-4, Sunday in Pittsburgh.

Robinson (2-0), released by Tex-

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as earlier this month, shut out the Expos on five hits over six innings before being lifted for a pinch-hit-

### NATIONAL LEAGUE

ter. Robinson has allowed eight hits in 11 scoreless innings in his first two Pirate starts.

The Pirates' bullpen, which couldn't hold a 2-0 lead for Robinson in Pittsburgh's 6-5, 12-inning victory over Philadelphia last Tuesday, again gave him a few tense ents. Robinson left with a 5-0 lead, but Denny Neagle was tagged for three runs without retiring a hitter before Roger Mason worked out of the seventh.

Tim Wallach doubled, Matt Stairs walked and Spike Owen singled in Wallach, bringing on Ma-son, who allowed Archi Clanfroc-co's single and a bases-loaded walk 10 Marquis Grissom. Delino De-Shields' sacrifice fly made it 5-3.

Braves 2, Reds 0: In Atlanta, Mike Bielecki and two relievers combined on a six-hitter as Atlanta beat Cincinnati to take three of four games in the series.

The Braves, who have won 19 of 22 games, took the final three games of the series between two of baseball's hottest teams to edge within 1½ games of the first-place Reds in the National League West Despite losing three games in a row, Cincinnati has won 19 of the

Sid Bream's two-out single in the sixth inning scored Terry Pendleton, who had singled and moved to recond on a groundout, to break ap a pitching duel between Bielecki (2-

3) and Jose Rijo (3-6).

Mets 6, Cardinals 2: In New York, Vince Coleman's three-run homer capped a five-run rally in the seventh as the Mets defeated St. Louis. It was only the Mets' third victory in their last 10 games. Both New York and St. Louis have lost

16 of its last 23 games. Winner David Cone (7-4) nitched seven innings, allowing two runs and seven hits. Cone struck out 11 to increase his National League-leading total to 114.

Jeff Robinson pitched scoreless that Cone has fanned 10 or more in got the last three outs.

Cubs 5, Phillies 2; In Philadelphia, Mike Morgan pitched a sixhit ball for 8% innings and Rey Sanchez drove in three runs for

Chicago.

Morgan (6-2) won his sixth straight decision, striking out three and walking four, as the Cubs won for the eighth time in 10 games. Paul Assemmacher got the last out for his third save, fanning Dale Sveum with the bases loaded.

Rookie Kyle Abbott (0-8), just

Rookie Kyle Abbott (0-8), just recalled from the minors, gave up four runs and eight hits in 5% innings. Morgan was two outs away from a shutout when Dave Hollins hit a two-run homer in the bottom

In games Saturday:

Braves 2, Reds 1: Steve Avery survived giving up 11 hits in 745 innings for his fourth straight victory as Atlanta won at home. The Braves won their second straight against Cincinnati. Avery struck out two and walked one before Kent Mercker relieved in the eighth. Mercker got the last five outs for his first save.

Expos 4, Pirates 3: In Pittsburgh.

the Pirates' first error in 10 games

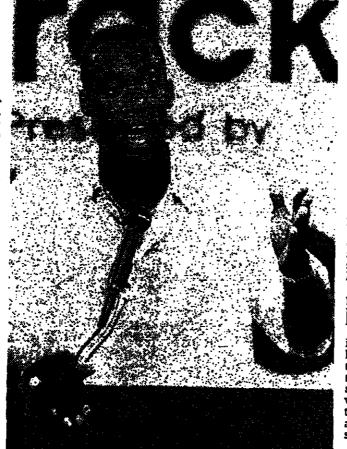
Phillies 4, Cubs 1: Terry Mulholland pitched three-hit ball for seven innings in Philadelphia and won for the sixth time in seven decisions. Mulholland struck out two and walked none, and the only run he allowed was Ryne Sandberg's homer in the seventh.

Cardinals 6, Mets 1: In New York, Bob Tewksbury patched a five-latter, retiring 23 of the final 26 batters, for the St. Louis victory. The punchless Mets have lost eight of 10 on their current season-high 14game homestand, and 16 of their last 22 games overall.

ny's run-scoring pinch single with none out in the bottom of the ninth in Houston, sent last-place Los Angeles to its ninth straight loss. Glants 3, Padres 1: Bud Black

Astros 1, Dodgers 0: Eric Antho-

pitched seven strong innings and Cory Snyder hit a two-run single in San Francisco. Black won his fourth straight decision to match a career hest. He allowed one run, nine hits, It marked the fourth time this struck out four and walked two....



Butch Reynolds, who won an appeal in the U.S. Supreme Court.

# U.S. Delays 400 Heats After Ruling

# Supreme Court Backs Reynolds in Battle Against LAAF

U.S. Olympic Committee scrammeter men's team for next month's fear of suspension.

Olympics in Barcelona. The 400-meter semifinals are

pealed to the International Amateur Athletics Federation to waive a rule that bars from the Games any athlete who competes against suspended world record holder Butch Reynolds at the U.S. trials. Reynolds won a last-ditch appeal Saturday when the U.S. Su-

preme Court cleared the way for him to run in qualifying heats.

But TAC, track's governing body in the United States, postponed the heats until Tuesday because 30 of the 32 competitors voted to boycott the qualifying races. Before they agree to run against Reynolds, they want the IAAF to waive the "contamination rule" that punishes anyone who competes against a spended athlete.

Ollan Cassell, TAC's executive with the IAAF's president. Primo

Nebiolo, and that Nebiolo would The Athletics Congress and the IAAF Council that the IAAF waive the rule. That would clear the way bled Sunday to try to give the Unit- for all Reynolds' competitors to ed States a chance to field a 400- race in the Olympic trials without

Leaders of the two bodies ap- now scheduled for Wednesday, with the finals to be held Friday. Saturday, in an inexpected ruling that stunned litigants on both sides, Reynolds won his appeal to the U.S. Supreme Court, when Justice John Paul Stevens, overturning a ruling by an appeals court, said that Reynolds can't be barred from stood and followed."

running in the U.S. trials. Then the full Supreme Court, acting on an application by TAC, announced late Saturday that it wouldn't overturn Stevena's order, the same race as Revnolds. giving Reynolds at least the legal But 30 of the 32 runners entered

in the 400-meter trials - only Reynolds and his brother, Jeff, dissented - then voted to boycott any race in which Reynolds is entered. "I'm young. I don't want to lose director and a vice president of the four years of my career," said Dar-IAAF, said he had been in contact nell Hall. "I want to run in AtlanAugust 1990. "The IAAF has its rules," Istvan

Gyulai, its general secretary, said Saturday from London after the Supreme Court decision. "However painful they are, they have to be enforced. Anyone who competes in the same heat will have to be disqualified. We have no other autho-position" of Reynolds's claim. rization. I admire the American 400-meter runners, and I would hate to see the Olympics without them. But our rules must be under-

Gyulai said that the IAAF's nosition had been made clear to TAC and that the suspensions would afthe same race as Reynolds.

Mike Moran, a spokesmen for the U.S. Olympic Committee, said the committee would fight the IAAF if it tried to bar eligible athletes from Barcelona. He said it was unacceptable to ban athletes who qualified for the Olympics.

Revnolds learned of his Supreme Court victory less than two hours before the 400-meter qualifying

The IAAF suspended Reynolds The first heats were to begin a NEW ORLEANS — Officials of recommend to the 23-member for two years after finding that he 3:45 P.M., but were delayed until 6 tested positive for steroid use in P.M. as officials discussed the Supreme Court ruling and its possible consequences. Then they were postponed until Sunday.

In brief remarks preceding his grant of the stay, Stevens said that threats by the IAAF to suspend any athlete who runs against Reynolds "cannot dictate the proper dis-

Reynolds has argued all along that the urine samples were mixed up before being tested and that he never has used a performance-enhancing drug.
(AP. NYT, Reuters)

■ Lewis Fails at 100 Meters

Carl Lewis failed on Saturday to finish among the top three in the men's 100-meter final at the U.S. Olympics trials and thus will not compete in the event in the Barcelona, The New York Times reported from New Orleans.

The world-record holder and two-time Olympic gold medalist started slowly and finished sixth behind Dennis Mitchell, Mark Witherspoon, Leroy Burrell — the three new Olympians - as well as Mike Marsh and James Jett.

It was the worst placement by Lewis in any major event since he finished ninth in the World Cup 100-meter final 11 years ago in Rome. Since then, he has not finished lower than fourth, which he only did once, in the 200 meters at the U.S. championships in 1986.

Lewis's time was 10.28, slightly slower than the 10.27 he ran earlier in the day in the semifinals.

Andre Cason, the world 60-meter indoor-record holder, had injured an Achilles tendon in the 100-meter eliminaries Friday. A member of last year's world record-setting U.S. 4x100-meter relay team, he had run the fastest 100 in the world this year, a wind-aided 9.88 seconds.

Ben Johnson, the Canadian

grace made him one of the world's most controversial track and field figures, completed a dramatic twobeat Boston for the 11th time in the year comeback Saturday by earning a berth on Canada's Olympic team. The New York Times report-He finished second to Bruny

# led to a four-mn Montreal second and Mark Gardner survived a Appier and Royals Shut Out the Blue Jays, 2-0 shaky start for the victory.

The Associated Press

ronto Blue Jays on five hits for eight innings on Sunday, outdueling Jimmy Key and leading the Royals to a 2-0 victory in Kansas

Twins 5, Mariners 6: In Minne-City, Missouri.

Appier (7-3), who had never

### AMERICAN LEAGUE

struck out seven and walked three. fect relief. Jeff Montgomery pitched the ninth for his 16th save.

Key (4-6) pitched eight innings the seventh. After he walked Kevin and had five strikeouts, no walks Mitchell on four pitches and gave

the Royals, in last place in the lowed 10 hits and four runs in 4% American League West, took two of three from the AL East leaders. The Blue Jays had at least one baserunner in each of the first six Bush's two-run single. innings. Dave Winfield walked leading off the fourth and appeared June 1987, rarely impressed in his

Kevin Appier shut out the To- Maldonado was called out for interfering with the catcher's throw and then Pat Borders grounded out

- apolis, Willie Banks finally showed why Minnesota made him the first beaten the Blue Jays in four tries, pitcher drafted five years ago, allowing four hits in six-plus innings, and Tom Edens completed the shutout with three innings of per-

Banks (1-1) walked two, struck out five and took a three-hitter into ninth before ending the game with the seventh. After he walked Kevin and gave up eight hits, but lost for up Pete O'Brien's single, Edens the fifth time in seven starts. came on and retired the final nine Wally Joyner and George Brett batters for his second save. stroked RBI singles in the third as Rookie Mike Walker (0-1) al-

> innings. He put his team in a firstinning hole by giving up Shane Mack's leadoff homer and Randy Banks, the third overall pick in

to have stolen second. But Candy first five pro seasons, most of which McCaskill shut out Detroit until a time in his bid to win his 10th were in the minors. His only other fly ball was lost in the lights in the minors. His only other Minnesota victory came last Aug. 6. eighth in Chicago as the White Sox sions since May 23.

■ In games Saturday:

Angels 10, Athletics 0: Julio Valera pitched a four-hitter for his second shutout of the season as California routed Oakland in Anaheim. California.

Valera retired 22 straight batters after Harold Baines's two-out double in the first inning. The right-hander allowed three singles in the Twins 5, Mariners 3: Pedro Mu-

noz doubled home the go-ahead run and later hit a two-run homer as Minnesota won in Minneapolis. Scott Leius also homered for the Twins, Dave Valle, Dave Cochrane and Greg Briley connected for Se-

Bill Krueger gave up nine hits in 6% innings, including the home runs by Valle and Cochrane. White Sox 3, Tigers 1: Kirk beat Detroit to end a six-game los-

Ron Karkovice homered in the fifth as Chicago spoiled the major league debut of Buddy Groom.
Brewers 4, Indians 1: In Milwan-kee, Chris Bosio allowed only two

hits before leaving with a knee injury and Paul Molitor homered to

Bosio struck out Thomas Howard for the second out in the sixth and then left the game after hyperextending a ligament in his left knee. He allowed the two hits and one unearned run in his 5% innings. Yankees 9, Orioles 5: Mel Hall went four-for-four to lead a 15-hit

attack that lifted New York in Bal-. Hall homered, doubled and

Sales in Net 180a High Low Clase Chipe

to victory.

Guzman struck out five and walked two. His winning percentage of .900 is best in the major leagues among pitchers with more than six victories. Rangers 4, Red Sox 1: Kevin

Blue Jays 6, Royals 1: In Kansas

City, Missouri, Juan Guzman shut

down the Royals on five hits for

eight innings and led Toronto Blue

Brown became the third 10-game winner in the major leagues as the Rangers defeated Boston in Arlington, Texas. Dean Palmer homered and drove in three runs as Texas last 12 games at Arlington Stadium.

Brown allowed one unearned run on five hits, struck out a careerdrove in three runs. The Yankees high nine and walked none in eight got seven runs, nine hits and five innings. Kenny Rogers pitched the walks off Rick Sutcliffe in 51/3 in- ninth for his fourth save. John nings. Sutcliffe, foiled for a second Dopson was the loser.

■ Ben Johnson Qualifies

sprinter whose rise and fall from

Surin, the Canadian 100-meter champion. Surin's time was 10.11 seconds with Johnson at 10.16.

# **NASDAQ NATIONAL MARKET**

OTO Consolidated trading for week

| Section | Constitute 'OTC Consolidated trading for week

Tentro | 196 | 54818 254 | 54 | 55 | 56 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 | 144 |

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# NHL Draft Profits by Communism's Loss

By Joe Lapointe
New York Times Service

MONTREAL - The National Hockey League draft reflected changes in world politics, with almost half the players in the first round — 11 of 24 — coming from either Czechoslovakia or the former Soviet Union. -In the second round, 12 of the 24 choices made Saturday were from the former Soviet Union and Europe, with two from Finland.

"For years, people have looked down on Europe," said Christer Rockstrom, the European scout for the New York Rangers. "Now, it's turned the other way. It's a trend. it's snowballing. It might even go too far this year. Hockey people here see players like Jaromir Jagr and Sergei Fedorov and Pavel Bure. How can they not want players like this on their teams?"

The first two picks of the draft, which went to the expansion teams, were Roman Hamrlik, a 6-foot-2, 189-pound (1.88-meter, 86-kilogram) defenseman from Czechoslovakia who was chosen by Tampa, and Aleksei Yashin, a 6-foot-2, 196-pound center from the former Soviet Union who was chosen by Ottawa.

The first North American player selected was Mike Rathje, a 6-foot-5, 205-pound defensemen who plays for Medicine Hat in the Western League. He was taken third over all,

Hamrlik was not the first European to be chosen No. 1 in an NHL draft. That honor

chosen first by Quebec in 1989.

Although many players from the former Soviet Union and Czechoslovakia were drafted in previous years, few teams gambled early-round choices on them because they weren't sure if the political situation would allow them to play in the NHL. But with communism's collapse, NHL

teams have a window of opportunity. The New York Islanders may have gotten the best of the bunch. With the fifth choice in the first round, they took Darius Kasparaitis, a defenseman from Lithuania who will be 20 in October and who has played two seasons with Dynamo Moscow in the major league of the former Soviet Union. Scouts who have watched him say that

went to Mats Sundin of Sweden, who was Kasparaitis, at 5-11 and 187, is ready to step into a regular role in the NHL and that he has star potential.

On the team of the Commonwealth of Independent States, he has been a part-time defense partner of Vladimir Malakhov, a Soviet veteran who is expected to join the Islanders this fall at the age of 23.

As a tandem, they could help lift the Islanders from the depths of the Patrick Division, where they have dwelled since their Stanley Cup dynasty of the early 1980s. The NHL's Central Scouting Burean report called Kasparaitis, a Lithuanian, "a world-class defensemen" and "excellent skater. Concentrates on defensive game. Fast, accurate passes, moves puck quickly, reads play well. Seldom caught out of position."

# Rangers, Flyers: Who Has Lindros?

New York Times Service

MONTREAL - The Eric Lindros auction took a bizarre twist with the New York Rangers and Philadelphia Flyers both concludthe New York Rangers and Inhabet had struck a deal to land the young star.

The NHL issued a statement Saturday evening saying that the "competing proposals" for the the 19-year-old center, who is the property of the Quebec Nordiques, would be submitted to independent arbitration. Officials said a hearing would be held promptly but

declined to say when a decision would be made.

The Washington Capitals and Detroit Red Wings swapped right wings at the NHL entry draft, Washington dealing its scoring leader, Dino Ciccarelli, and getting Kevin Miller in return.

Ciccarelli, 32, had a team-high 38 goals and was third on the Capitals with 76 points last season. An II-year veteran, he was traded to Washington from Minagery during the 1999 90 season. traded to Washington from Minnesota during the 1988-89 season. Miller, 26, had 20 goals and 26 assists last season. He came to the Red Wings with Dennis Vial and Jim Cummins in a trade that sent Joe Kocur and Per Djoos to the New York Rangers.

# Holyfield Wins, but It's Ugly

By Phil Berger New York Times Service

LAS VEGAS — Call it winning ngly, but call it a victory for Evander Holyfield. He beat Larry Holmes in a unanimous 12-round decision to retain his undisputed heavyweight title.

All three judges — Carol Castellano (116-112), Chuck Giampa (116-112) and Glen Hamada (117-III) - scored it for the 29-year-old champion. But it was no easy night for Holyfield, who found it difficult to penetrate the paunchy Holmes's defense in a bout that took place in an outdoor ring at Caesars Palace Hotel.

Holmes repeatedly smothered the champion's punches and strate-gically clinched, but he simply did not throw enough punches to offset the busier Holyfield.

Holyfield suffered a cut over his right eye in the sixth round, but it did not hamper him even though it bled throughout rest of the fight."
"It wasn't an easy fight," Holy-field said afterward. "He proved

he's a classy fighter, and he has great defense. I hit him with a lot of good body shots. I wasn't looking to take him out with one shot. He fought a smart fight. It's hard to knock out a defensive fighter." For Holmes, the night could be

construed as a moral victory. He fought a smart fight with a 42-yearold man's resources. With the victory, Holyfield is un-

defeated in 28 fights with 22 knockouts. Holmes falls to 54-4, with 37 knockouts. For Holmes, the bout Friday was

the culmination of his second comeback since he lost twice to Michael Spinks and then retired in 1986... In January 1988, Holmes returned to the ring to take on Mike Tyson. Tyson overwhelmed Holmes, knocking him out in for rounds and prompting him to say

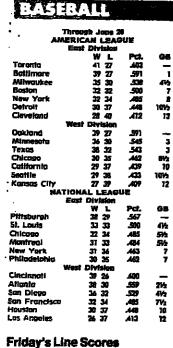
he was retiring again.
But Hohnes changed his mind and last year came back again. In April 1991, he knocked out Tim (Doc) Anderson in one round and afterward engaged in an extra-curnicular brawl with the former heavyweight champion Trevor Berbick outside a Hollywood, Florida, hotel.

Holmes went on to score 1991 victories over Eddie Gonzales, Michael Greer, Art Card and James Howe, none of whom was perceived as a threat to Holmes be-

With that victory Holmes sud-

Holyfield said he expected to

### SCOREBOARD



### Friday's Line Scores

|                                             | AME   |        |             |        | VE.        |      |             |  |  |
|---------------------------------------------|-------|--------|-------------|--------|------------|------|-------------|--|--|
| Seattle                                     |       |        | <b>90</b> ( | 100    | <b>1</b>   | 4    |             |  |  |
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| ومزردوا                                     | OTIC  | Valv   | 17 TI       | epen   | i, Ede     | ns ( | <b>5</b> }, |  |  |
| Worne (9)                                   | and H | OF DOI | . W-        | -Flei  | ning, 1    | 0-2  | _           |  |  |
| Toponi, 6-5                                 | , HR- | -Seo   | ITIQ.       | Brille | r (2).     |      |             |  |  |
| Detroit                                     | 190   | 200    | 000         | 500    | 54         | 78   | 3           |  |  |
| Chicago                                     | 200   | 170    | 616         | 866    | •3         | •    | 1           |  |  |
| (13 inclass)                                |       |        |             |        |            |      |             |  |  |
| Tangag, Kiely (8), MMunoz (9), Terrell (10) |       |        |             |        |            |      |             |  |  |
| and Kreute                                  | e: MR | abore  | L Le        | ach í  | (4). Ro    | dine | ~           |  |  |

(10), Thispen (11), Alvarez (13), Poli (13) and Fisk W—Terrell, 1-7. L—Alvarez 0-2. HR3— Chicago, Thomas (11); Detroit, Phillips (6), 2 (21) 010 000 005-1 4 1 001 020 01x-4 7 1 Gordiner, Fesses (8) and Pena; Witt. Rea-

Gordiner, Fossis (3) and Penni; Witt. Rog-ers (8), Jefkussell (8) and Perniil W-Witt, B-5.L-Gardiner, 3-7.5v-Jefkussell (18). HRe-Teros, Palmeiro (7), JuGonzolez (17). Rew York 843 801 806 - 7 71 2 Baltimore 843 211 806-18 13 2 Johnson, Hilleges (3), Burke (8) and Nokas Miliceki, Mills (5), Flamopan (8), Olson (8) and Halles, W—Mills, 4-1, L—Milleges, 0-2, Sv— Olson (19), HRS—New York, Tartabuli (5); Baltimare, Devereoux (18), C. Ripken (8), Mil-

DOS 010 110-3 10 0 Scudder, Power 17; Ofin (8) and Alamar; Bones-Orasca (6). Austin (6), Holmes (8), Hen-019 000 012— 4 18 4 City 046 160 002—11 12 2 kmyre,/AccDanoid, (5), Henke (8) and Konsas Çily

. Siotilemyre, /AccDanold, (5), Henke (8) and Myres; Gubicza, Gordon (9) and Mayres, W-Gubicza, 7-4, L—Stofitemyre, 5-6, HR—Kansos City, Jefferles (4).

Oakland 381 866 829—12 15 8 California 818 861 829—15 15 4 Stewart, Compbell (8), Gossage (8), Eckersley (9) and Steinboch, Guirk (8); Finely, Crim (6), Bolles (6), Frey (8), Eichhorn (9) and Orton, Fitzserald (9). W—Stewart, 6-5, L—Finley, 2-6, Sv—Eckersley (23), HRs—Ockland, Steinboch (6); Colifornia, Gonzales (7), Goetti (4).

NATIONAL LEAGUE 298 800 809-2 5 8 108 808 898-1 7 8 and (B) and Corter.

829 083 800-5 11 1 999 280 890-2 5 8 Philodelphia 099 228 999-2 5 Jockson, J. Robinson (7), Assenmother (8), Bullinger (9) and Wilkins, Gircrdi (8); Brink, Ayroult (6), Ritchie (8), Jones (8) and Doulton, W.—Juckson, 3-7, L.—Brink, 0-3, 3v.—Bullinger (6), HRS—Chicoso, May 2 (3); Philodelphia, Doulton (12). 900 007 970 9-2 9 6 000 000 200 1-3 4 0

| Trunter (2); Attente, Justice (3), Attente (4), Attente (5), Attente (6), Condecte (7); Hornisch, Murphy (6), Lever (8), Attente (9), Attente (9),

X.Hernandez (9), Malikoar (9), D.Jones (9), Boever (11) and Servals, Tucker (9), W-Boever, 2-1, L.—Gott, 1-2. HRs.—Houston, Genzolez (3), Anthony (5).

San Diego 229 600 600 1—3 8 8 San Francisco 197 800 600 8—2 5 1 (79 Inaless)

Hurst, Malendez (9) and Wotters; Righettl, Oliveras (7), Beck (9) and Manwarins. W-Melendez, 5-1, L.—Beck, 0-2. HR—San Diego, Sheffield (13).

### Saturday's Line Scores AMERICAN LEAGUE

690 660 600— 6 4 100 613 26x—16 10 Welch, Horsman (7), Nelson (7), Honeycutt 8) and Steinbach: Valero and Fitzerald. W—Valera, 45. L—Weich, 3-L HR9—Califor-nia, DiSarcina (2), Gaetti (5).

nla, DiSarcina (2), Gaetti (5),
Detroit 98 98 910—1 7 9
Chicopo 100 910 18x—3 5 6
Groam, Knudson (7), Lancester (8) and
Tetiteton; McCoskill, Thispen (8) and Kerkovice.
W—McCaskill, Thispen (8) and Kerkovice.
Thispen (15). HR—Chicoso, Karkovice (4).
New York 191 283 929—9 15 1
Santismore 200 900 900—5 18 1
Santismore 200 900 900—5 18 1
Sanderson, Manteleone (6). Habyon (9) and
Nokes; Sutcliffe, Frohwirth (6) and Holles.
W—Sanderson, 5.5. L—Sutcliffe, 9.5. HR—
New York, Hall (8).

New York, Hall (8). Cleveland 109 800 800—] 3 2 Milwautee 902 819 813—4 19 1 Boucher, Wickander (7), Power (8) and Ajomort Bosio, Feiters (8), Henry (9) and Nilsson, W-Bosio, 5-4, L-Boucher, 2-2, Sv-Henry (11). HR-Millsonkes. Molifor (16). Seattle Seattle 981 198 981—3 12 1 Almosantr 981 282 90x-5 6 9

Seattle 967 196 967—3 kg ;
Allonesote 967 292 962—5 6 9
DeLucio, Nelson (7), Agosto (8) and Valle; Krueger, Wills (7), Guthrie (8), Agulera (9) and Horper, W.—Krueger, 7-1, L.—DeLucia, 2-4.5v—Aguilera (19), HR3—Seattle, Briley (3), Cochrone (1), Valle (4); Minnesota, Munaz (8), Leius (2).

609 831 002-4 8 t Kansus City 919 000 909—1 5 7
Guzman, D.Ward (9) and Borders; Mannonite. Meacham (5). Boddicker (8) and
Marvie. W—Guzman, 9-1, 1.—Magnante, 3-6.
Bectos: 901 901 825—4 7 7
Dosson, Fassos (8). Darwin (8). Botton (8)
and Flaherty, Pena (8); Brown, Rogers (9)
and Petralli, McGianis (9). W—Brown, 19-4.

- Desson 1-1 UPS—Tavan, Partner (19).

L—Dopson, J-3. HRS—Texas, Poimer (12).

NATIONAL LEAGUE

Les Angeles 800 000 000—0 7 1

Houston 000 000 901—1 7 0

Hershiser, McDowell (9) and Sciosclo;

J.Jones, D.Jones (9) and Tucker, W—D.Jones,

4-4. L—Hershiser, 6-5.

San Diego 900 000 010—1 10 0

San Francisco 001 000 000—3 10 0

Lefferts, Harris (4), Anderson (5), Myers

(7) and Winters: Block, Examine (5), Reck (9)

(7) and Walters; Black, Brantley (2), Beck (9) earing W-Black.41.L-Letteris.L-

**PEANUTS** 

OUTSIDE FOR

# Chicaso 906 908 106—1 3 1 Philiadelphia 921 987 987 4 1 Acadiux, Rosmusen (8) and Visionusvo, Wilkins (8); Autholiand, Hartiey (8), Wil-liams (9) and Daultan, W—Mulholiand, 7-4. L—Moddux, 7-7, Sv—Williams (13), HR—Chi-

L—Moddus, 7-7, Sv—Williams (14), HR—Chicage, Sandbers (10),
Moatreat 900 908 900-4 5 1
Pittaberat 210 900 900-3 6 2
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Seibu vs. Kintetsu, ppd. i Latte vs. Dalet, ppd., rain Nippon Hom 2 Orix ) Dalei 2 Latte 8

### BASKETBALL EUROPEAN OLYMPIC QUALIFIERS la Grenada, Spain Friday's Results

Israel 91, France 69 Italy 90. Switzerland 61 Saturday's Results Group S Poland 79. Switzerland 66 France 108. Albania 67 Italy 83, Israel 63

### RUGBY

SECOND RUGBY UNION TEST
Senday, in Bristane, Asstralia
ustralia 37, Scatland 13
Australia — Tries: Havan 2, Caraza 2 haimers. Penalty gool: Chalmers. Australia wins Two-lest series 2-0.

SOCCER

SPANISH CUP SEMIFINAL
Saturday, in Madrid
rivo Corugo 1, Atletico Madrid 1

Real Madrid 5. Sporting Gillon 2

### GOLF **AUTO RACING**

Graded Stores Saturday after the third round of the SLS million U.S. Conn champlen-ship, played on the 4,465-yard par-72 Pubble Beach Golf Links:

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72-74-72-218

73-70-75—218 70-72-76—218 71-<del>70-</del>77—218

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73-71-74—220 71-72-77—220

74-73-77-22

74-72-71---22

77-72-74--21

71-70-73-214 Scott Simpson 74-71-48--215 Scott Straylar
Payne Stewart
Craig Stewart
Tom Letenan
Jim Gallagher,
Seve Ballestera
Jeff Sluman
Rocco Mediate
Payd Advance 71-72-72-21 Poul Azinger Richard Zokol Mark Calcavecchi 70-73-73--27 72-70-74--216 72-70-74--216 71-<del>69</del>-76--216 74-73-70-217 74-71-72-72-71-74--217 72-71-74--217 74-71-71--218

Andy Dillord Mike Hulbert John Cook
Beb Gilder
Tom Purtes
Anders Fersbrun
Colin Montgemer
Crole Perry
Mark McCumber Ted Schulz

Dillord Pruff Bob Welcott Bernhard Long Willie Wood Jim Kone Nick Price Fred Couples Wayne Gredy **Curtis Strange** 

Hale Irwin Sandy Lyle Billy Mayfak Scott Gump Brad Bryant Tray Tyner Kirk Triplett

MANCHESTER TOURNAMENT in England Semifinals

EASTBOURNE TOURNAMENT

in England Semifinats Lori NcNell (11), U.S., def, Mary Joe Fer-nandez (2), U.S., 7-6 (7-4), 6-0; Lindo Harvey-Mild, U.S., def. Rosalyn Fairbank-Nideffer,

Fingis

Short results Souther of the 40th La Mon-24 Hour recent soundy or me sam La Mans; 24 Hour recent mit 124-Kilometer (A.5-mile) circuit with drivers, make of car, leader's distance and swertope speed; 1, Derek Warwick, Britisha; Yannick Dal-mas, France, and Mork Blundell, Britola, Peuped, 32 lone, 274-40 miles, 172.55 moh; 2. Mannanet, Satient, Loney, Bleen, March. Peuped, 32 lors, 2,974.0 miles, 121,8 no.h; 2. Maximori Seldya, Japon; Pierre-Heari Ro-chanel, France, and Kenny Acheson, Ireland, Toyota, 6 loss behind; 3. Mauro Boldi, Italy; Philitoce Alliel, France, and Jean-Pierre Jo-bouille, France, Peuped, 7 loss; 4. Johnny Herbert, Britain; Volker Welder, Germany, and Bertrand Gachol, France, Mazzla, 16 loss; 5. Georges Fouche, South Africa; Seleven Andskar, Sweden, and Stefan Johanne

Artestor, Sweeter and Sweet Johnson.
Sweden, Tayata, 16 kas; 6. Bob Wolleck
France; Henri Percarrota, France, and Jean-Louis Riccl. France, Cougar-Parsche, 17 kaps;
7. Manuel Reater, Germany; John Nietsen,
Denmark, and Govanni Laggi. Tiply, Parsche %2C. 16 kps; & Jon Lammers. Netherlands; Andy Wallace, Britain, and Teo Fabl, Italy, Toyata, 21 lass; 9, Roland Ratzenberser, Aus-

# CRICKET

SECOND TEST akiston vs. England In Leaden
England 1st Innings: 255 off out
Policistan 1st lanings: 257 off out
Policistan 1st lanings: 275 off out
Policistan 2d Innings: 175 off out
Policistan 2d Innings: 141-8

# TRANSACTIONS.

BASEBALL

American League
CHICAGO—Recalled Roberto Hernandez, pitcher, and Esteban Beitre, shortston, from Vancouver, Pacific Coast League, Sent Mott Merulia, catcher, to Vancouver, Put Mike Huff, outfleider, on 15-day disobled 8st retro-active to Jone 17. CLEVELAND—Activated Jim Thome, third

baseman, from 15-day disabled Rst. Optioned Thome to Conton-Akron, Eastern League. DETROIT—Put Mark Corress, outflelder, and John Doherty, pitcher, on 15-day dis list. Doherty as of June 9: Correon as of June from Taledo.
MILWAUKEE—Signed Wesley Weger.

shoristop; Gennaro Salzano, infletger; and Bill Hardwick and Daniel Ortiz, pitchers. Put Jim Ganther, second basemon, on 15-day dis-abled list. Colled up William Sperg, Infielder, from Denver, American Association.

MiNNESOTA—Activated Donnie Hill, infielder, from 15-day disabled list, Optioned
Jeff Reboulet, Infielder, to Portland, PCL. NEW YORK—Signed Curt Young, pifcher, to particular, PCL.

connoc with Commons, I. Activitied Jesse 8arfield-outfleider, from 15-day disabled list. Opfload Pat Kelly, Infleider, to Columbus. OAKLAND—activated Rickey Henderson, outfleider, from 15-day disabled list. Put Randy Ready, Infleider, on 15-day disabled list. SEATTLE—Signed Juan Agosto, pitcher. Seat Bert Heffernan, catcher, to Jackstawille, Seathers. In pages 24th Beach. Lebeson and Southern League, Put Randy Jot

Southern League, Put Randy Johnson and Jim Acker, pilichers, on 15-day disobled list, Recalled Milke Welfiler and Mark Grant, pitch-ers, from Colgary, PCL. Signed Tom Drees, pitcher, to contract with Colgary, TORONTO—Signed Brandon Cromer, shortstop; Sy Darsey and Scott Kennedy, pitchers; and Scott McClouphan, third base-mon-outfielder; to minor-league contracts. Assigned Cramer, Darsey and Kennedy to Gulf Coast League team and McClouphan to St. Cathorines, New York-Penn League.
Matienal League ATLANTA Activated Alejandro Per

# plicher, from 15-day disabled list. Optioned Pele Smith, plicher, to Richmond, IL. CHICAGO—Signed Brazdon Pico, Keenle Steenstra and Collin Kerley, plichers: Brant Brown, Chris Peterson and Potrick Fairty, infielders; Daulel Medicen and Tyrone Lawis, outfielders; and Paul Solsovievic, carcher; to almor-league contracts. Optioned Jerome Walton, outfielder, to lawn, AA, Recotled Rick Williams, carcher, from Jown.

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HOUSTON-Pat Mark Partonal attcher.on 15-day disobled list, Red pitcher, from Tucson, PCL, Sie ithird basemon, to minor-legace contract.

LOS ANGELES—Activated Eric Davis,
outfleider, from disabled list. Designated Kat
Daniels, outfleider-first basemon, for reas-MONTREAL—Received Dorren Fieldier,

ACTIVITY AND ACTIV Jonathan Harst, pitcher, to Indianapolis. EW YORK—Signed Christopher nders, fishel baseman; John Smith, out-Sounders, Mard basemon; John Smith, out-fielder; James Mrowlou, second basemon, and James Popoli and Chris Berg, pitchers, to minor-league contracts. PHILADELPHIA—Staned Trevor Hum-phrey, Pitcher; Joson Moles, catcher; and Tim Cornist, outfielder, to minor-league con-tracts. Recalled Kyle Abboth, pitcher, and Wes Commission, autifielder.

Chamberloin. outfielder, from Scranten-Wilkes-Borre, IL. Optioned Kim Batiste, shortstop and Cliff Brantley and Brad Brink, chased the contract of Mickey Weston, pitchtroct with Buffale. AA, and Jeson

Kendoll, Carther, and essigned him to Bro-denton. GCL. Bought contract of Dave Clork, outlielder, from Buffolo. Recalled John Wehner, affelder, from Buffolo. Put Gary Re-dus, outlielder-first baseman, and Vicante Po-locies, pitcher, on 15-day disabled list. Op-lient Center Control (Inhalter & Market & Detioned Carlos Garcio, infielder, to Buttato. Signed Shon Walker, outfleider, Activated SAN FRANCISCO—Optioned Dave Burtin, plither, and Rayce Clayfor, shortston, to Pone-nia, PCL. Recalled Francisco Oliveras, offichnix, PCL. Recolled Francisco Oliverus, obti-err, from Phoenix. Activated Mark Lessand, outfleider, from 15-day disabled list and sent him to Phoenix. Signed Jim Roseobohm, Jeff Myers, Jorge Vasavez, and Mark Sougstod, pitchers; Benil Simonton and Kurayadee Aller, outfleiders, and Armond Anderson and Asia Sidacoli, Illineiosa to Illinoi-league controcts. Waived Kelly Downs, pitcher, to sive him his uncomilitional release. Recalled Mike Benjamin, shortstep, from Phoesix. ST. LOUIS—Put Occile Smith, shortstep, on 15-day disobled list. Re-critical Blein Figueros.
shortstop, from Lauisville. AA. Released Juan
Agosto. Pitcher. Activated Orner Oliveres.
pitcher, from disobled list. Avread to terms with
Brian Jordan. autiledder, on 3-year contract.

# Noticed Besketbell Association CHARLOTTE—Signed Allon Briston, cook

farough 1996-97 spason; Dave Twondrift, of personnel director, to 3-year con Hanzlik and T.R. Dunn, a MINNESOTA-Waived Tod Murphy, for

PHOENIX—Wolved Ign Lockho ward, and Sheve Burtt, guard, SACRAMENTO KINGS—Named

FOOTBALL DETROIT—Signed Dayld Ro GREEN BAY—Signed Ron Hol

### The NHL Draft Doung by-round salections, with player, po-

Round-by-round selections, with player, po-sition and former team or country (4-defense-man, 1-forward, c-center, fw-left wing, o-socile): First resent—L. Tampo Bay, Roman Hams-lik, d. ZPS Ziln (Czechoslovakia), 2. Olfowa, Alexei Yashin, c. Dynama Moscow, 3. San Jose, Autre Rathie, d. Medicine Hat (Will.), 5. Creater, Tadi Warnier, Jw. Windsor (OH.), 5.

Quebec, Todd Warriner, Iw, Windsor (OHL). E. N.Y. Islanders (from Toronfo), Darlos Kuscaretitis, d. Dynamo Mascaw. 4, Caigary, Carey Stillman, Iw, Windsor (OHL). 7, Philadelphia, Ryan Stiller, Nichola H.S., Buffala, N.Y. 2, Toronfo (from N.Y. Islanders), Brandon Convery, t. Sudbury (OHL).

7, Hartford, Robert Petrovicky, c. Dukia Trecin (Czechoslovalka), IR, Son Jose, Andrel Nazarov, Iw. Dynamo Mascow. 11, Buffala, David Cooper, d. Medichie Hat (WHL). 12, Chicago (from Winnipsey), Sersel Krivokrosov, Iw, Central Red Army. 13, Edmanton, Joe Hutbis, Iw, St. Sebastian H.S., Needhorn, Mass. 14, Washinston, Sersel Gauchar, d. Dynama Mascow. 15, Philodelphia, Joson Bowen, Iw,

Moscow, 15, Phile delphia, Josop Bowen, Ivr., Tri-City (WHL).1& Boston, Dmiliri Kyor

29. Monfréel. David Wilkle C Kamioaps.
(WHL). 21. Voncouver, Libor Polacek, c TJ
Vikovice (Czechoslovakia). 22. Detroit, Carlis
Bowen, Iv., Ottowo (OHL). 22. Turanto (from
Washlaghan), Grant Marshall, rw., Ottowo
(OHL). 24, N.Y., Rungers, Paler Ferrora, c.

moriol H.S., Besten. 32. Mentred (from Hortland), Volent Bere, 24. Mentred (from Hortland), Volent Bere, 24. Mentred (from Hortland), Volent Bere,

to), Stefan Usion, f. Kousbooren (Germany). 54. Calpary, Mathias Johansson, f. Fariestod (Sweden), 55, Basion (from Philodelphia), Ser-Pizza (Caschoslovotka). 40. Winnipez, Jer-erny Shevenson, hr. Carmwell (OHL). 61, Ed-monton, Simon Roy, d. Showinigan (QAAJHL). 62. St. Loois, Viltal Karanney, hv. Dynama Moscow, 63, Los Angeles, Sonth Allian, g. North Boy (OHL). 44, St. Louis (from Boston). Vitali Prokherov, Iw, Spartak (CIS). 65. Edmonton (from Chicago), Kirk Maithy.

rw, Owen Sound (OHL). 66. New Jersey, Col ...... resultation mass. 70, Defroit, Sylvals Cloutier, c. Gusbh (OHL). 71, Washington, Martin Gentral, I'w, Sh-Hvachithe (QMJHL). 72, M.Y. Rangers, Eric Cairns, d. Defroit (OHL).

Quebec, Todd Warriner, Iw, Wind

111-Cny (WHILL LE SOSIOL DRINAT KVETTERY, L. Son Dieso (IRLL).
17. Wimhless (from Chicago), Sergel Boutin, d. Dynamo Moscoer. 18, New Jersey, Jason milit. d. Resina (WHL). 19, Pittabursh, Martin Strake, c. Skoda Pizen (Caschoslovakia).
20. Montreol. David Wfilkle C. Komioags

(OHL.), 24, N.Y. Rungers, Peter Ferroro, c. Woterion (USHL).
Second retails — 25. Ottowo, Chad Penney, Iv., North Bay (OHL.), 25. Tonisa Bay, Orew Samister, d., Ste. St. Marie (OHL.), 27. Winsipes, Baris Miranov, d. CSKA Mascow, 22, Quebec, Past Brousteau, rw., Huff (QMJHL.), 27. Quebec (from Terroral), Tennes Gronmon, d. Tacama (WHL.), 30. Calgary, Chris O'Salilven, d. Cothalic Memorial H.S. Baston, 31. Philipalphia, Dennis Methyuk, c. Loda Toglindi (CIS), 32. Washington (from N.Y. Islanders Brugsh Tororab), Jim Carey, a. Catholic Memorial H.S. Baston.

22. Montred (from Hertford), Veleti Bure, rw. Spokens (WHL), 34. Minnesda, Jerkie Vervie, ne, HPK (Finland), 35. Botfole, Joseph Cierny, ne, Zwien (Czechośovakie), 36. Chicago (from Winnipee), Jeff Shantz, c. Ragina (WHL), 37, Edmonton, Martin Raichel, ne, FraBure (Germony), 38, 51. Louis, Isor Korstev, ne, Dymano Moscow, 39, Los Angeles, Jestin Hockleg, d. Spokens (WHL), 48. Vencouver (from Boston), Mike Pecc. c, Oltawa (OHL), 41. Chicago, Seroel Klienovich, c. Dymano 41, Chicogo, Sernel Kiltmovich, c. Dynamo Moscow. 42, New Jersey, Sernel Brytin. c. CSKA Moscow. 43, Pritsburgh, Marc Hussey, d. Moose Jose Willi.). 44, Montreol, Kelli Corase. c. Klassian (OHL). 45, Vancouver, Michael Fountain. 9, Cahawa (OHL). 46, Dehroll, Darried McCarty, rw. Befleville (OHL). 47, Hartford (from Wostington), Andrei Nikolishin. Iw. Dynamo Moscow. 48, N.Y. Rompers. Motifics Marstrom, d. AIK (Sweden).

Talled Install vs. 48, Turnes Bry. Brant. 41. Chicosa, Sergei Kilmovich, c. Dynome Motions regression, c. AIK (Saveneri).
Third rused — 48, Tomps Boy, Brent
Gretzky, c., Belleville (OHL), 58, Ottowa, Parrick Traverse, d. Showfulgon (GMJHL), 51,
Sm Jose, Alexander Cherbayev, f. Chimile
(CIS), 52, Quebec, Emmonoei Pernondez, g.
Lavoi (GMJHL), 53, Washington (from Toron-

rw. Overn Sougu (CPIC.), 66. New Jersey, Cole Hulse, d. Portland (WHL.), 67. Philisburgh, Travis Thiesant, d. Moose Jaw (WHL.), 68. Mantreat, Crole River, d. Klasston (OHL.), 69. Vancouver, Jeff Connelly, c. 51. Selposifier H.S., Needham, Mass. 78. Defreit, Sylvain

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But in February, Holmes took on a world-class opponent in Ray Mercer. Mercer, who was undefeated at the time, jarred Holmes with a first-round jab that sent Holmes reeling backward. But Holmes ng Mercer for a surprising 12-round decision victory.

dealy found himself credible enough to be offered a title shot at Holyfield. For Holyfield, this was his third title defense since he won the championship from James (Buster) Douglas on a third-round knockout in October 1990.

take on the winner of the July 19 bout between Riddick Bowe and Pierre Coetzer. The bout between Holyfield and the winner is projected for Nov. 13.

# DENNIS THE MENACE



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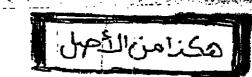




### **REX MORGAN**







# **Kite Joins** Morgan in Golf Lead

PERBLE BEACH, California -Tom Kite joined Gil Morgan as a so leader at 4-under-par early in Sunday's final round of the 92d U.S. Open, where the clouds parted and the sun pecked through for the first time this week.

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Kite, who started one shot behind Morgan at 3-under, birdied the first hole to move into a tie for the lead in windier conditions than those the players have endured at the ocean-front course this week.

Mark Brooks made it a threesome atop the leader board at 4mider with a birdie at the par-5 second hole, but then took a double-bogey on the third.

Morgan, who once lead by seven shots on Saturday, began his final round with pars on the first two holes. Ian Woosnam of Wales started the day one shot off the lead, but

**a** Morgan's Ups and Downs Jaime Diaz of The New York Times reported on Saturday's third

Just when Morgan was on the verge of making the U.S. Open an unsightly runaway — after he had crashed through and beyond the 10-under-par barrier and built a seven-shot lead -- the cliffs of Pebble Beach reared up and set up one of the most attractive golf Sundays

Amazingly, nearly everyone was back in this Open, from Kite to Seve Ballesteros to Nick Faldo to the defending champion, Payne Siewart, even to Andy Dillard. Indeed, going into the final round, there were 21 players within four shots, and eight of them had won major championships.

Morgan was still the leader.

There was no question he would be Vafter he played the first seven holes in 3 under par on Saturday. There seemed no question that he wouldn't be after he played the next seven in 7 over par.

But long birdie putts on the 16th-and 18th got him back into the lead at 4-under 212, by a shot over Woosnam, Brooks and Kite.

What happened to Morgan was difficult to believe, particularly af-ter he played the first 43 holes of the championship in an astonishing and unprecedented 12 under par.

Starting the day 9 under par with a three-shot lead over Dilland, Morgan narrowly missed birdies on the first two holes and then holed a 25-footer (7.5 meters) for a birdie on the par-4 third hole. When the ball disappeared, Morgan became the first man ever to reach 10 under

**SIDELINES** 

lead over the field.

**Russell Wins Lyon Golf** 

LYON (Reuters) - David J. Russell of Briton wor

only the second victory of his 17-year European golf

career in the Lyon Open on Sunday, with a six-stroke

total of 267, the lowest winning score this season. He

played the entire 72 holes without a bogey.

Brett Ogle of Australia bettered Russell's final

round by two strokes with a closing 64, which earned him second place at 273, and American Jay Townsend

(65) had his best finish in Europe for third, along with Paul Broadhurst (67) of Britain, at 14-under 274.

EAST RUTHERFORD, New Jersey (AP) — Arts-place toyed with the field of pacers in the fastest mile ever in harness racing — 1 minute, 49 2/5 seconds — in the Driscoll Series second leg at the Meadowlands.

Artsplace turned in 27 2/5 seconds in the last quarter for the world record. The time eclipsed the previous record of 1:49 3/5, held by Call For Rain and Nihilator.

New Coach at Real Madrid

MADRID (AP) - One of the Spanish soccer's most

Floro will coach Real for the next two seasons, the

Spanish news agency EFE said. Floro, 40, took Alba-

cete from second division B in 1989 through second

division A to place it in the first division for the first

Christian Schenk, the Olympic decathlon champion who has had an elbow injury, failed to qualify for the

Zola Picterse, the distance runner who won fame

under her maiden name of Budd, won a place on the first South African Olympic team since 1960. (AP)

Charmain Barnard, South Africa's national triple jump champion, long-distance runner Annette Schoe-

man, shot putter Erik Roos and marathoner Charl Mattheus were suspended after testing positive for

Monica Seles has changed her mind and will be listed as a Yugoslav at Wimbledon after all, instead of

Arasido Mesa, Cuba's top featherweight boxer and

the Pan-American champion, has been expelled from the national team for attacking a teammate, the Na-tional Boxing Commission said. (Reuters)

time in the club's history.

For the Record

German team for Barcelona.

from Sarasota, Florida.

successful coaches, Albacete's Benito Floro, is to take over from Leo Beenhakker of the Netherlands as

coach of Real Madrid, news reports said Saturday.

Record in Harness Racing

Russell had a closing round 66 for a 21-under-par

ar at the U.S. Open.

But Morgan still had four of Pebble Beach's easiest holes to play, and he took advantage with birdles at the sixth and seventh. Morgan walked off that green 12 under, where no man had ever been, and with a seven-shot lead, the largest lead in the Open since Tony Jackim won by that much in 1970.

It was at this point, however, that his wings melted After a good drive on the 431yard par-4 8th hole, Morgan hit a solid 5-iron that bounced through the green into heavy rough. His at-tempt at a finessed sand-wedge flop shot came up short of the green, and his next chip ran 15 feet past the

hole. When Morson missed, he had his first double bogey of the tourna-ment and his lead was six over his pleying partner, Dillard.
On the 464-yard minth hole, Morgan's second shot with a 5-iron found greenside bunker, and his explotion left him a 10-foot putt that he mixed. Then on the 426-yard 10th, Morgan hit a poor 5-iron that hung but to the right before disappearing

Another double bogey and the lead was three over Dillard. Morgan bogsyed the 384-yard lift when his slightly pushed drive found rough so deep that he could not much the green with his approach. On the 12th, his 3-iron difted into the bunker on the right.

werthe cliff that borders the green.

The lead was down to two. The last chapter of Morgan's nightmaire took place on the par-5 third shot short of the green, pitched over the green on his with chipped long and two-putted for yet another double bogsy. The lead was gone, and he was tied with Woosnam and Brooks, who hed and Gary Hallberg and Kite, were playing up ahead. But just as his free-fall looked ed for oblivion, Morgan



# Germany Beats Sweden, 3-2, in Semifinal

By Ian Thomsen

nternational Herald Tribune STOCKHOLM - As if the ime were contested in a smoky pool hall, Germany has played true to its soul only when the pot was worth winning. Its 3-2 semifinal pean soccer championship came at just one of three matches in the the expense of the host, Sweden, previous week. Sweden had adwhose advancement satisfied its national following and maintained the vibrancy of this tournament in its first week, when the Germans, among others, were disappointing

Germany now awaits the outcome of the second semifinal in Gothenburg on Monday night be-tween Denmark and the favored Holland. The world champion Germans anticipate a final rematch Friday in Gothenburg against the Netherlands, the defending European champion, which beat Germany, 3-1, in the last preliminary

Bert Vogts. "Hopefully in the final we'll see the same team, though it will be a completely different

match if the opponent is Holland."

Much to the disappointment of their hosts, these Germans bore litvictory Sunday night in the Enro- tle resemblance to those that won previous week. Sweden had advanced on the legs of a constant attack, but it could not imagine how to escort Tomas Brokin past the German midfield. The two Swedish goals were the result of a Brolin penalty shot and a last-minute header by Kennet Andersson.

Through the midfield funnels of Thomas Hässler and Stefan Effenberg, who is attempting to replace the injured Lothar Matthans, the Germans built incessantly to the striker Karlheinz Riedle, the planet around whom orbited most of the Swedish defenders. As well as scoring Germany's last two goals, he was either passing wide to teammates such as Matthias Sammer or

box, such as the one that created fenders Stefan Schwarz and Patrik was being taken down from the Hässler's direct kick from the top Andersson, suspended from this rear by Thomas Heimer, chasing a

From almost the same spot, Hassler had scored Germany's most important goal of the tournament, carning a 1-1 draw with the Commonwealth of Independent States in the 90th minute of their opening match, a result that ultimately advanced Germany to this

The only difference between this direct Hässler kick and the first one was that the Swedish goalkeeper Thomas Ravelli, watching on television, saw the first one. Hässler duck-hooked his 22-meter shot around the seven-man Swedish wall, and Ravelli didn't react until he felt it whizzing past him into the left corner. It was only Germany's second go-ahead goal of the tour-

their reputation, they no doubt corner perch to outroar its hosts, were aided by Sweden's loss of de-

earlier in the tournament. Suddenly were beset with cavities in their

Another foul, to Riedle, gave Andreas Brehme a clear 25-meter drive that that rocked Ravelli's crossbar. At the end of the half another Brehme shot, this one from 30 meters of another indirect touch, was rescued by Ravelli at his At last the Germans pulled away

in the 59th minute when Samr accepting a give-and-go up the left side from Hässler, played the ball into the stride of Riedle, who from near the penalty mark merely de-flected the ball inside the right post for a 2-0 lead.

Not only were the Germans Just as the small band of Ger-playing with an efficiency truer to man fans was threatening from its Just as the small band of Ger-

match for earning two yellow cards ball down the right flank in the box. Brokin converted the penalty the Swedes, having allowed just one into the left corner, then swirled goal in the previous three matches, away in his now famous counterclockwise corkscrew celebratory leap — with three goals, he had become the tournament's leading scorer. More important was that the Swedes, without having built up less within a goal of forcing over-

> But the best they could do was respond to Riedle's goal from 6 meters set up by Helmer in the 88th minute. Before their fans could stop signing, Kennet Andersson was outlearing the German goal-keeper, Bodo Ilgner, to head in the final goal. Germany merely had to ride out the final minute.

good goalkeeper," Vogts said. "But on the score at 3-2 he was a bit



Guido Buchwald of Germany (left) and Tomas Brolin of Sweden fighting for the ball in their semifinal of the European championships.

# Hässler, the Littlest Big Man, Is Standing Tall for Germany

By Rob Hughes

STOCKHOLM -- Germany's path toward yet another major soccer final becomes the fulfillment of

Thomas Hässler once asked his mother why be drew the short straw when so many Germans were bred so strong and strapping. Fran Hässler responded with words to the effect that a man's worth must be measured more in heart and mind; perhaps he was destined to

At 1.68 meters (5-foot-6) the smallest player in the the European championship, Hässler has grown in stature game by game. On Sunday night, he set his country's course by scoring his second un-

More impressively, he has taken the mantle of midfield boss that belonged to Germany's injured captain, Lothar Matthaus. Indeed, it is because the dominant Matthaus, skipper of the winning 1990

At 26, he is growing before our

Hässler, the pimpernel, scurries here, there, everywhere. The Swedes, debilitated by the suspension of Stefan Schwarz, simply could not nail him down. They knew the little No. 8 would scheme, but they did not know how, when

Sweden's goalkeeper, Thomas Ravelli, knew Hässler would take any free kick within range of his right foot. But Ravelli, a veteran of 92 internationals, had no cine how to eliminate the threat.

It came as early as the 12th minnte, when Jan Eriksson crudely body-checked Karl-Heinz Riedle stoppable free-kick goal of the just outside the penalty box. The eyes of Ravelli always seem to have goals radiated apprehension.

Ravelli set his defensive wall from a memory. Like every goalie here, he had noted the free-kick Hässler curled into the top corner World Cup team, is not here that of the CIS net, escaping the left Hässler has breathed his own ef-

last year in part to preserve her top ranking, admits

Pd love to win it," said Seles, whose stentorian grunt has helped propel her to titles in her last five Slams but

who seems tongue-tied on the subject of winning here.

"I can't go to net, I freeze, I just get scared from it," she said. "But coming here, if I don't change my philosophy of how to play on grass, I think I'll have a

Courier, top-seeded here despite his quarterfinal

"The court is still the same dimensions," Courier

said. "I don't think it requires a different psychology

He nonetheless compared his grass court prowess to that of Ivan Lendl, the former No. 1 ranked player,

who took allergy shots so that he could actually

"I look at myself as a Lendl on grass," said Courier.

"Not a comfortable player on the grass, but one who can play well on it at times."

Courier, who has not played a grass event since last year's Wimbledon, is a banger and grinder not overly fond of the intangibles of this ever-changing surface.

But he has made tangible improvements to his game that cannot help but help him on grass. He has come up with a firmer volley and has finally gotten the

proper grasp on the brand of backhand slice that will

"I like my chances against anybody on any surface in the world: It's as simple as that," Courier said after successfully defending his French Open title earlier this month. "Certainly Boris and Stefan and Stich and

Sampras are more suited to grass, but I feel very good about the way I played last year. I certainly feel I'm a

better volleyer. I move better up at the net this year

than last year. But who's to say someone's not going to

make him far less reluctant to gravitate netward.

finish last year, claims to be immune to grass.

"This is a tournament that I haven't won yet, and

that the grass scares her.

become immune to grass.

knock me off first round?"

Unfortunately for Ravelli, eyes, not in centimeters — a battle
lost long ago — but in self-belief
straighter, and the goalkeeper with straighter, and the goalkeeper with the staring eyes was cast to stone. Wrong-footed, he simply did not

> So Hässler, in his 32d game for Germany, lifted his score to five goals. He knows it should be more.
> "My head wants me to have a go," he admitted before the tournament began, "but my legs don't re-spond."

Hässler, of course, found the space to concoct the second goal, which, despite later scores of no real consequence, sealed the vic-

By now bamboozled, Sweden neglected to watch Riedle and gave him a negligent amount of time and room to score the first of two easy

This maturing of Hässler has embarrassing overtones for Italy. Juventus had seen the potential of Hässler first, had spent \$8 million on importing him from Cologne. but within one season it seemed as if the club and the pressure were too big for him.

Giovanni Trapattoni, a coach who likes German thoroughbreds, sold Hässler on to A.S. Roma, for close to another \$8 million, where once more he struggled to impose

Ironically it was Roma's other ost to keep the faith and the spirit flora only last week at Eastbourne, bounced in the surface the same way he treats his opponent, like a high for Hässler; ironic, because second round from an event she'd won 10 times. But faceless entity. But his counterpart, Monica Seles, who she preferred to blame that loss on the capricious has defied accusations that she skipped Wimbledon Voller broke his arm and has been a bystander at this tournament.

Thomas has such imagination." Völler said. "He plays always for the team - you cannot leave him

For a time, Roma did, and perhaps as a legacy, Hässler seems to have energy to burn here in Sweden. In every match, even the one where the Netherlands played rings around Germany, he was the German star. The runt of the team, he stands in spirit head and shoulders above the rest.

SWEDEN - Thomas Ravelli, Ro land Nilsson, Jan Eriksson, Joachim Bjorklund, Roger Ljung, Joakim Nila-son (Anders Limpar 60), Klas Ingesson, Jones Them, Kenner Ander nas Brolin, Martin Dahlin (Johnny

Ekstrom 73). GERMANY - Bodo Illgner, Stafen Reuter, Thomas Helmer, Jürgen Kohler, Guido Buchwald, Andreas Brehme, Matthias Sammer, Stafan Ef-fenberg, Thomas Hassler, Kartheinz Riedle, Jürgen Klinsmann (Thomas Doll 90). Referee: Tullio Lanese (Itzly).

■ 'Sudden Death' Ruled Out

UEFA, the governing body of European soccer, has rejected the idea of introducing sudden-death overtime at the European championship, Reuters reported from Gothenburg Sweden. Lennart Johansson, UEFA's

president, had said be favored playing indefinite overtime until a goal was scored to decide the semifinals and final when play was tied after the regulation 90 minutes. The sudden-death solution would have replaced the usual 30 minutes of overtime followed by a penalty shootout if a match was still even. But UEFA's European champi-onship committee decided Saturday to stick to the present rules. FIFA, the world federation, had warned last week that there should

not be indefinite overtime for med-

# Peugeot Wins 24-Hour Le Mans

than others'

imperfections, and yours.'

tion for what lies in store underfoot.

BY KODIN FIRM

New York Times Service

the only Grand Slam played on a living surface that

inspires and respires and sometimes expires along with

the players who dare to tread on it, starts Monday, and

an anxious Martina Navratilova is testing the lawn.

She is squinting like a jeweler searching for that perfect emerald. Navratilova is no gardener, but she

knows magic-carpet quality grass when she sees it.

This year marks the 20th anniversary of a Wimble-

don career that has brought her a record nine titles on the clusive surface that is all the more prestigious for

being almost obsolete. The current crop, barely 10

months old, irrigated by a deluge late last week and pristine for the moment, makes her smile.

Navratilova got hoodwinked on this same species of

WIMBLEDON - Wimbledon, the big green one,

Warwick and Mark Blundell held first place from the second hour. They finished more than six laps ahead of a Toyota on the 13.6-kilometer (8.45-

built car had won the race. The late Jean Rondean constructed and helped drive his car to victory that year, before British Jagnars and German Porsches dominated in the 1980s. Both factory-backed teams have dropped out of the endurance race recently, while Pengeot returned to racing.

"We had a lot of preparation for this. We went through six 24-hoor tests before we got here,"

199.34 kilometers per hour (123.89 miles per hour). Masanori Sekiya of Japan, Pierre-Henri Ra-phanel of France and Kenny Acheson of Ireland drove for the second-place Toyota, Another Pengeot was in third, with Mauro Baldi of Italy and Frenchmen Philippe Alliot and Jean-Pierre Jabouille. They had the fastest qualifying time.

The Mazda of Johnny Herbert of Britain, Bertrand Gachot of France and Volker Weidler of Germany was fourth. The three drivers had posted the first victory for a Japanese-made car in the

Mazda finished 16 laps back in fourth after staying close for 14 hours, before gear and radiator oblems slowed it.

finished this year, we were really happy.

Factory Pengeot returned to the Le Mans race in 1991 but had two cars drop out before the sixhour mark. They led after the first hour last year but it was a learning experience for team director

Jean Todt.
"When I came to Pengeot I saw there was a lot of work ahead of us. In eight months they have done a fantastic job of getting the car ready," Dalmas

The only problem for the winning Pengeot came just before the 17-hour mark. It was in the pits for a brief time with a clutch and electrical problem. Warwick was worried. "It stopped three, four

limit and not break down," Weidler said. "This year we had two gears that broke down. When we

times on the track and then we thought we repaired it. We had to come in again to check it, but the mechanics did a great job."

### LE MANS, France — Peugeot dominated the Le Mans 24-Hour race almost from the start to win Sunday to give France its first title in 12 years. France's Yannick Dalmas and Britain's Derek

It was the first time since 1980 that a French-

The winners covered 352 laps, a distance of 4,791.2 kilometers (2,974.40 miles) to average

Fear and Awe at the Green One: Wimbledon

she preferred to blame that loss on the capricious British wind, not the capricious British grass. Wimble-

don has already seduced her again.
"It's all special because it's Wimbledon," she said.

This is where the tennis players want to be, and the

better athlete you are, the better you'll be on grass. If

you have quick hands, the grass rewards you more

She went on: "And if there's bad grass, well, that

No wonder nearly every player in the draw, No. 1 or

can be a great equalizer. You have to allow for its

not, seems to harbor equal parts of fear and fascina-

Jim Courier, ranked No. 1, believes he can treat the

"Last year we had a car that we could drive on a

That sort of dethroning has happened here even to the grass-court titans. It happened to Stefan Edberg last year when he was ousted in the semifinals by

"I love playing on grass," said Edberg, whose serve-and-volley game has again made him a favorite among his peers to prevail here, "but it can be frustrating."

ical reasons.

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# Helping Mayors Tend to Their Flocks

DARIS - As a radio reporter for France-Inter, Alain Trampoglieri used to stand freezing on the steps of the presidential palace, the Elysée, holding out his microphone in search of what was not yet called a sound bite. Today he lives opposite the Elysée, with a view of those stens and, inside, the same modern designer desk as President François Mitterrand.

It was, of course, not journalism but the greener field of public relations that took him off the street. Since 1984 he has orga-

### MARY BLUME

nized an annual trade fair for the mayors of France, Mairie Expo, which was held in Cannes last week.

Trampoglieri, a municipal councillor of Saint-Tropez from 1983 to 1989, had the idea of inventing Mairie Expo after a latenight sitting in which the council voted for a budget increase of 25 million francs. "I thought how many of us know what we're doing? Then I thought, why not do some-thing like the annual agricultural salon un grand show where people come and

From the presidential palace to city hall may seem a step down, but not in France which boasts, for its population, three times as many mayors as its EC partners. There are more than 36,000 communes in France, each with its mayor and municipal council lors, and, says Trampoglieri, 1.2 million municipal employees in addition to elected officials. Elections alone make for a crowd.

"In Saint-Tropez, for example, there are 29 municipal councillors," Trampoglieri says. "But when there is an election there are six opposing lists, which makes six times 29. So in winter, one person out of two in the streets of Saint-Tropez is an electoral candidate.

The mayors of France dispose of an annual budget of almost 700 billion francs (about \$130 billion). "That's half the national budget," Trampoglieri claims. His simple and successful idea is to get as many of them as possible under the same — between 5,000 and 6,000 this year, plus their representatives — to inspect and possibly buy the latest in street furniture. anti-pollutants, sewage disposal systems, and busts of the symbol of the French republic. Marianne.

This year the products on offer ranged from electric cars to condom vending machines. The biggest exhibitor, Trampog-lieri says, supplies four million school lunches daily across the world, the smallest hand-sews French flags in the Drôme.

If the mayors at Cannes this year were only a small proportion of the total, still they represent 70 percent of the market,



Alain Trampoglieri, creator of an annual trade fair for the mayors of France.

Mairie Expo isn't only for the big spenders but for the mayors of the more than 25,000 communes that have fewer than 700 inhabitants. "I would rather deal with the mayor of Camembert, population 139, than with a government minister,

Trampoglieri says. In France, a government minister is often a mayor as well. A majority of the current cabinet also hold municipal positions. Pierre Béregovoy is mayor of Nevers, his two predecessors were also mayors. President Mitterrand was a mayor, ex-President Valery Giscard d'Estaing was mayor of Chamalières, presidential hopeful Jacques Chirac is mayor of Paris. Jacques Delors was mayor of Clichy, a Paris suburb, before he went to Europe.

The mayor's role in France is more paternal (or maternal) than strictly politial "It's not just a question of left or right. A French mayor will try as hard to please someone who didn't vote for him as some-

one who did," Trampoglieri says.

"The mayor is the head of the flock, the animal provincials prefer," the writer Alain Schiffres has said, listing the common attributes of small-town mayors. "They all like soccer and exceeding cost estimates. They are suspicious of gypsies

elderly and for one-way streets, they cut

ribbons and perform marriage ceremonies

in the same kindly manner. The way they

lay a commemorative wreath is identical

and in no matter what village the minute

of silence always lasts exactly 45 seconds." The mayor of a tiny village may be a farmer or local doctor. He is just as likely to be an international businessman who has a country house there. The position of the mayor in the provinces has traditionally been less a political opportunity than a means of showing one's attachment, despite

one's sophistication, to la France profonde. Since the decentralization law of 1984. mayors have gained more independence, sometimes misused, from the central government and have taken on budgetary responsibilities which they are not always able to handle. Trampoglieri, who says he has visited 5,000 mairies between Mairie Expos, likes to help them with their problems and to encourage them to pool their resources. The sort of cooperation he praises is the plan of the current ombudsman of the republic, who is also mayor of a village of 150 inhabitants, to group his Armistice Day celebrations with those of

In addition to free year-round advice,

Trampoglieri calls le shopping des maires, can compare machines to clean beaches, credit-card systems for school lunches, computer programs for registering deeds, firework displays and Christmas lights. and municipal swimming pools.

They learn how to attract industry and hold festivals. Unknowns can be photographed with the stars of city halls and they can apply for the Marianne d'Or, a prize awarded to innovating mayors by a celebrity jury whose decisions are firmly guided by Trampoglieri for maximum PR effect.

Last year's winners included a black mayor from Brittany who, from his ancestral Togo, picked up the idea of a council of village elders, and Anne D'Ornano, Deauville's longtime mayor who had just built a convention center and is highly photogenic.

Among this year's 16 winners are an ecologically minded pop singer, Yves Duteil, the mayor of l'Île Rousse in Corsica ("he built some roads and it was time to give an award to Corsica"), the elderly mayor of tourist-filled Saint-Paul-de-Vence, who built a wax museum of local history, and Mayor Geneviève Fustier who brought back to life a village in the Loire region where only six families remained.
"That's the sort of story I like." Transpoglieri said. "With faxes and computers

When he is not traveling through France in an American mobile home that he has made into an office, Trampoglieri actively networks with mayors in the United States. "I've met them all," he says. (The mayor of Las Vegas was to appear at Cannes but begged off because it might be thought bad taste after the Los Angeles riots.) He has studied the collection of household wastes in West Hollywood and been photographed with New York's David Dinkins. Despite the plight of American cities, there are

people can decentralize."

advantages to the electoral system, he says. "American mayors are not elected for

one job. That's good."

Trampoglieri collects his fees not from mayors at Mairie Expo but from exhibitors. His public relations firm has the musiofficial title, Relations Publiques de France, and a Garde Republicain band screnades the telephone caller who has been put on hold, while his doorbell consists of the first notes of the Marseillaise. A large tricolor hangs in his office and the photograph of himself that he prefers could easily be of a

kindly, wreath-laying mayor.
While other people are fascinated by the upper echelons of politics, his years on the Elysée steps were clearly enough. All he

wants is to be is mayor. "I dream of it," he says. He will not settle

### LANGUAGE

# The Ouching Outcasts of Outrage

By William Safire

WASHINGTON — Pessimist-bashing is again with us. When people feel irritable about the lack of bounce in the economic rebound; when words like malaise and phrases like triple dip and creeping decrepitude are bruited about — the moment is ripe for yeasayers to pop the pessionists.

As Republicans in 1936 charged that the New Deal had failed to lift the nation out of sustained Depression, supporters of FDR called them disciples of despair flounder-ing in a fountain of fear. As Repub-licans in 1952 blazed away at Harry Truman's "mess in Washington, Democrats - led, I think, by Adlai Stevenson -- derided the prophets of gloom and doom.

Turnabout is fair play: in 1956, Clare Boothe Luce led the Republicans in denouncing Democrats as troubadors of trouble and crooners of catastrophe. As Democrats expressed their dissatisfaction with the lingering war and slow economic growth in 1970, a Republican wordsmith, recalling Luce's alliter-ative ripostes, fed Vice President Spiro T. Agnew a nice bit of alliteration with which to castigate the castigators: he called them the nattering nabobs of negativism. (I was that wordsmith; that year, I was big

Here we are, a generation later, with the outhing outcasts of outrage again in full cry, complaining that it's late afternoon in America. What affirmationist will men the tables and smite them (perhaps with a little inmendo that it is impatriotic to "run down America"), and with

what catchy new phrase?

George Bush has volunteered.
He took the 1987 book by Paul
Kennedy, "The Rise and Fall of the Great Powers," which offered a gloom-and-doom view of our fu-Gibbon's "History of the Decline and Fall of the Roman Empire" to come up with a new class of pessimist: the declinists.

Here it is in context, from Bush's commencement address at Southern Methodist University in Dallas

last month: "I realize that I might not be taking the fashionable view." (This approach is how a speaker strikes the pose of an iconoclast, gutsily opposing the clites who set the fash-

possibilities exhausted . . .

These declinists, as they are called will hate to hear it, but they're saying nothing new." The president then recalled how even Walt Whitman had wornied that the United States would "prove the most tremendous failure in history" only a few years before the dawn of the American century. "In the 1930s," Bush went on, "the declinists told us the Great Depression had made capitalism outmoded. Our victory in World War II put an end to that talk."

Declinist, labeled a "nonce word" in the Oxford English Diotionary, had been used in 1831 by a British philosopher, William Whewell, in discussing the decline of science: "The only professor who has written at all on the subject is Babbage, the leader of the Declinists.

Rhetoricians wonder: Will an anti-pessimist coinage work with-out either rhyme or alliteration? It's a daring move, but the speechwriters are optimistic about it.

The language of country music, a unique American art form, has not been given the sort of scholarly attention it deserves. The device of ironic interplay is worthy of a heavy doctoral thesis; while someone works on that, many of country's best lines have been compiled by Pania Schwed, a Gannett News Service reporter.

The title of her paperback is "I've Got Tears in My Ears From Lyin' on My Back in My Bed While I Cry Over You," from a 1949 song by Harold Barlow.

Other favorites include "If the phone doesn't ring, it's me" (Buf-fett/Jennings/Utley) and "Ever since we said I do, there's so many things you don't" (Slate/Lane), the latter probably based on a 1950s comedy routine. And then Daniel and Ruby Hice wrote, "Worst you ever gave me was the best I ever had," and John Schweers combined metaphors with "You snap your fingers and I'm back in your

This wording is far more linguistically complex than the old Juneand-moon rhymings and often raunchier than rap, which I will not

"Much of the conventional wisdom juxtaposition of contrary ideas: "I these days portrays America in de-dine and its energy dissipated, its even gone" (Rainwater/Young). ibyan Ang wer Gadha Another is the use of contrasting nouns: "He gives me diamonds you give me chills" (Goodman/ Kennedy). A third, written by Averal Aldridge, is the counterpoint of opposite verbs, and it sums up the way I feel about country music: "I hate the way I love it."

A portmanteau word is a blend of two words to produce a third This is just a guesstimate, but Pdsay hundreds of words - from branch to glitterati — have been coined under the label of the old French suitcase, or portmanteau, that folded in the middle.

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Now we have the portmantean name. In olden times, a woman getting married — who did not like the idea of dropping her surname and taking her husband's — would keep her surname in hyphenated form Charlayne Hunter-Gault of PBS, for example, was born Charlayne Horn. er and married a man named Ganit Along came Ms, and you no longer knew whether the woman is using her married name or not. But those were baby steps toward what is now the complete merger.

"Valerie Jane Silverman, a daughter of Mr. and Mrs. Bennet H. Silverman of Hastings-on-Hudson, N.Y." read a society-page item last month in The New York Times, "was married yesterday to Michael Thomas Flaherty . . . on the campus of Harvard University.

The couple changed their surname yesterday to Flaherman Mrs. Flaherman, 26 years old, and her husband, 27, are 1987 graduates of Harvard."

The portmanteau choice was plain: it would either be Silverty or Flaherman, and they went for the man's name first.

Will this become a trend? It's good to see that the Flahermans have made the ultimate computment; they are obviously not even considering the nomenclature difficulties in event of a divorce.

Try it yourself, dear reader, if you are or have been married: see hat your spouse-merged name would be, and whose name would come first. Now, if the couple break up, and each partner marries again to a mate who has had a similar

| Transpogner: Says.                                                                                                                                                                  | una prino                                                                                                                                 | cis. They shall a retroit for t                                              | ing diese was alless his                                                                                                                        | The Lape, which was a second                                             | cay not major or noming.                                                       | of the common peo                                      |                                                                                                                                                                                                          | on denominator is the                                                                                                                                                                          | New York Times Service                                                                                                |
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CANS UP TO \$20,000 evaligible to omyone. Contact Zafra Group S.A. Fax: 34-5-2822835. OFFICES FOR RENT PARIS 16th - ONE ROOM OFFICE -17 sum, conveniently located in a lively business & shapping area, ideal for company or businessimon walking to establish an effice is the second Paul Newman had a vision.

A special holiday centre for children with cancer. leukæmia and other life-threatening blood disorders. A place to experience the joys of friendship, build memories, have fun like other kids.

We share that vision. There are compelling reasons why you should, too.

Imagine.

You are a child. You have just learned that you have cancer or leukæmia or one of the other life-threatening blood disorders. The kids around you in the hospital know, they are there for the same reason. They have shared their realities: needles, syringe pumps, nausea, hair falling out, radiation therapy and, sometimes, surgery. Pain. What has happened to your world? That thing called Hope is wavering. Will you die?

Maintaining a child's will to live and to fight is an important part of the battle against disease. For this, a child needs objectives, plans, things to look forward to with pleasure. Holidays...with other kids, like other kids. But where? What holiday centre is willing to accept

the responsibility of a child with cancer? Since Paul Newman opened THE HOLE IN THE WALL GANG CAMP in 1988 in Connecticut, USA, some European children have had the joyous experience of an American summer camp holiday. But the demand is tremendous and places are few. A similar European centre is essential if more than a handful of children are to enjoy the freedom such an environment provides. The Comité Newman's Own for Children with Cancer is a not-for-profit organisation with a European vocation: creating and operating a holiday centre in France for European children with cancer.

Your help is urgently needed to build up the funds necessary to allow the smooth operation of the centre for years to come. By funding holidays for these very special children, you are helping them win their battle.

Please send your cheques and donations,

or address enquiries for further information (including tax advantages for personal or corporate gifts) to:

Possible sites are currently under examination.

The Secretary COMITÉ NEWMAN'S OWN POUR L'AIDE AUX ENFANTS CANCÉREUX 24 avenue de Breteuil - 75007 Paris, France tél. (1) 45 67 38 01 = fax (1) 45 49 09 12

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in the International Herald Tribune under the International Recruitment Feature

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